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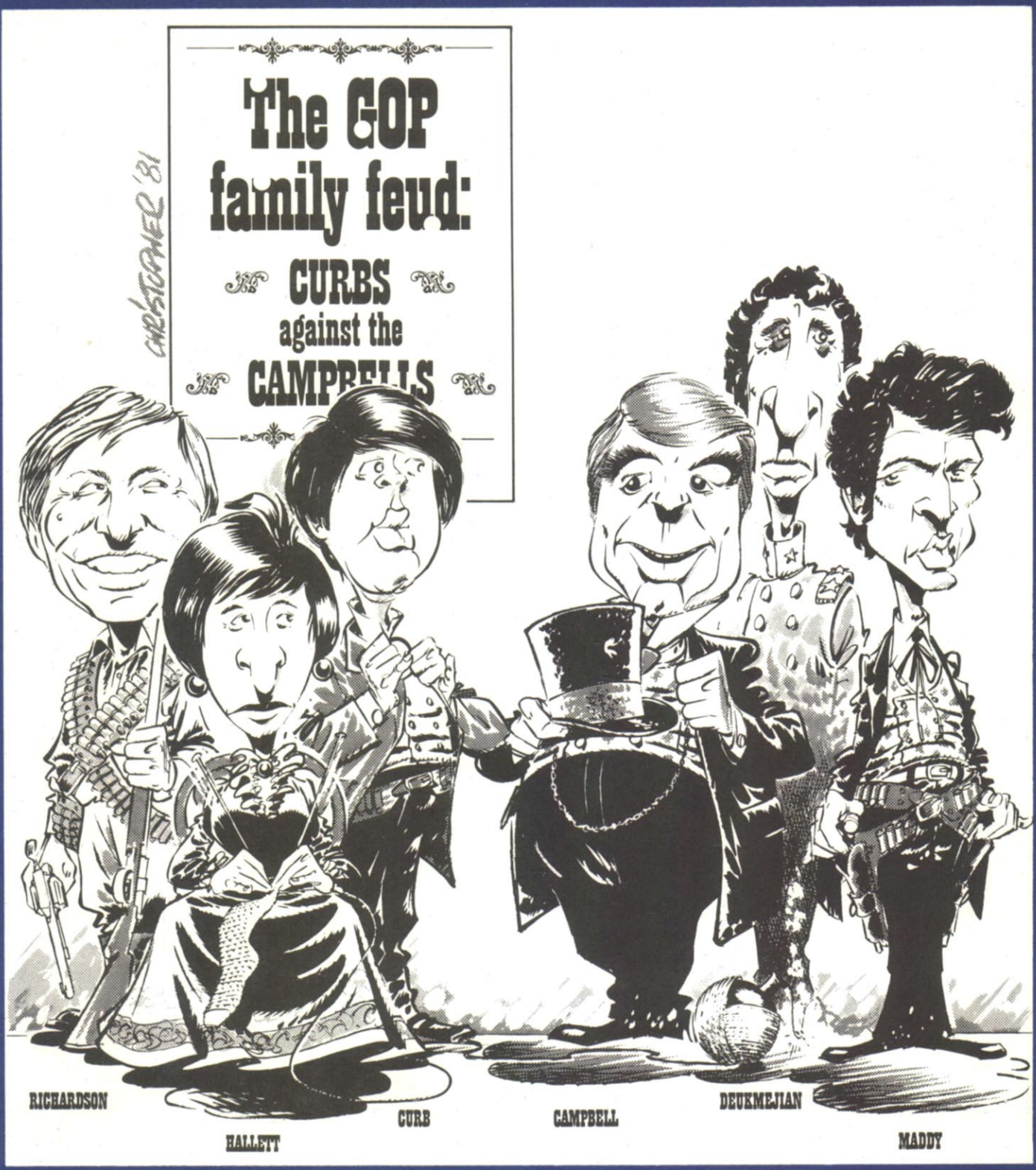

Brown's 'hard times' budget

SPECIAL SECTION
'81 Roster and Guide

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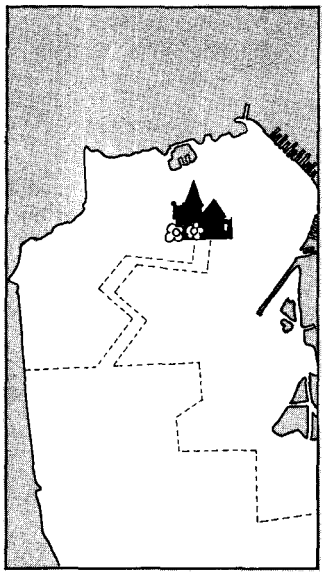
Personal PERSPECTIVE

By Ed Salzman

Bernie O'Shea's house



In the lore of the Legislature, there is the tale about the rather simple-minded San Francisco assemblyman who was called into the office of the chairman of the Elections and Reapportionment Committee to examine a proposed new district. The conversation is supposed to have gone something like this:

Chairman — This district is absolutely perfect for you. It has increased Democratic registration, increased party loyalty and it cuts out those precincts in which you have run the weakest.

Member — I don't like it.

Chairman — Why not?

Member — It doesn't include all of Saint Cecilia's Parish and Bernie O'Shea's house.

So the committee staff gave the member a slightly less advantageous district but made him happy by placing the O'Shea domicile and all of the Saint Cecilia parishioners within the district. And every time there was reapportionment thereafter, an alternate map of San Francisco was drawn to show how the city divided by church parishes as well as by census tracts — until that member left the Legislature.

That little story illustrates the incredible difficulty facing legislative leaders in trying to make politicians happy in drawing new Senate, Assembly and congressional district lines. Every single incumbent has ideas on how he or she can gain the maximum advantage. Some want to solidify their present positions; others are looking for opportunities to advance. Both political parties are trying to lock up as many safe seats as possible. And there are the desires of members that don't seem to make any sense. Former Democratic Assemblyman John Knox of Richmond, for example, wasn't too happy when a Republican section was removed from his district. His reasoning: He didn't need more Democrats, and he didn't want to lose the campaign funds provided by the affluent area with strong Republican registration.

To the average citizen, the main mission of the Legislature this year will be to solve the state's pressing financial problems. But to legislators, that's just another tough bill; the main gut issue will be redistricting, which happens to be a low-priority item to the typical voter. This will be a particularly difficult reapportionment year. Here are some of the reasons:

- **The Willie Brown-Republican coalition** ruling the Assembly makes it impossible for the Democrats to push through a one-party plan.
- **Hanging over** the heads of the Democratic-controlled Legislature is the possibility that any redistricting bill will be challenged in court or even made the subject of a referendum by the Republican Party.
- **Preliminary census figures** indicate that some political powerhouses in Los Angeles and San Francisco will be hard to save.

And if these weren't problems enough, there will always be the Bernie O'Sheas of the world who must be accommodated.

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Law-and-order folks had better take a look at the Senate Judiciary Committee before cheering about the conservative makeup of the Assembly Criminal Justice Committee, the traditional graveyard of bills sponsored by prosecutors. The Senate panel, which also must clear crime bills, is more liberal than it has been for many years. The Senate, not the Assembly, will be the bottleneck this year.

Former Assemblyman Dan Boatwright of Concord ought to teach a course entitled, "How to rise to the top without ever being on the bottom." As a freshman senator, Boatwright won the chairmanship of the crucial Elections and Reapportionment Committee as well as seats on the Finance, Natural Resources, and Revenue and Taxation committees.

Correction: As Mark Twain would have written, the death of oil magnate Ed Pauley indicated in this spot last month was grossly exaggerated. All we can say is that 'tis better to be alive and read about your demise than the other way around.

The shooting of John Lennon will probably prove a bonanza for Senator Bill Richardson's gun-owner organizations. Every time there is a threat of pistol control, the gun enthusiasts send dollars into the political battle.

Shed a tear for the Vanguard campaign management firm in Sacramento. The firm lost the Stockton Assembly race in a recount and two contests in Nevada by a total of eight votes.

Eli Setencich in the *Fresno Bee* suggested some Christmas wishes from various politicians. Congressman Chip Pashayan's letter to Santa: "All I really would like . . . is a nice little sense of humor. I could use it."

Wide circulation is being given to a letter from Assemblyman Walter Ingalls of Riverside to Governor Jerry Brown. Ingalls ridicules Brown's advocacy of bullet-train research and ends with these comments: "I can relate to your position of non-involvement with today's problems . . . Stick to the future, Jerry. That is where you belong."

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THOSE FEUDING REPUBLICANS:

Curb, Hallett and Richardson

VERSUS

Deukmejian, Campbell and Maddy

By DAN WALTERS

The 11th Commandment observed by California Republicans for the past couple of decades has been: "Thou shalt not speak ill of another Republican." That policy, first enunciated by a GOP state chairman, was based on the theory that Republicans are too few to afford the kind of intraparty shouting matches that frequently enliven the Democratic Party.

But it was a commandment honored more in the breach than in the observance. While the state's Republican politicians said nice things about each other in public, they occasionally engaged in savage behind-the-scenes struggles. And today, even the facade of unity is crumbling as the Republican politicos scramble for power.

The genteel, country-club atmosphere of the state's Republican Party is giving way to name calling, plotting and counterplotting. As Ronald Reagan left California to take up residence in the White House GOP leaders began scrambling to take control of the party and its positions of power.

The stakes are high: the party's leadership positions in the Legislature and the Republican nomination for governor in 1982. The various factions are moving into two large coalitions, and they already have staged a couple of skirmishes in preparation for the big battle that will continue over the next 18 months.

One coalition features Lieutenant Governor Mike Curb, conservative fund-raising whiz H. L. Richardson and Carol Hallett, the minority leader of the Assembly. The second revolves about Senate Repulican leader William Campbell and Senator Ken Maddy (both of whom have aspirations for statewide office), anti-Hallett Republicans in the Assembly and Attorney General George Deukmejian.

At the moment, the Curb-Richardson-Hallett faction appears to be the more powerful, but it failed to unseat Campbell as GOP Senate leader during pre-session maneuvers. And the emergence of Deukmejian as a potentially powerful contender for the gubernatorial nomination means that the Curb coalition may not have an easy time achieving the power it seeks.

None of the struggle is ideological. All of the chief players are more-or-less conservative Reagan backers. "It's just power, that's all," says one state Republican leader privately. The leader, who is trying to avoid committing himself to one faction or the other as the level of rhetoric and infighting grows, worries that the battle may become so

Dan Walters is the Capitol bureau chief for the Sacramento Union *and a frequent contributor to the* Journal.

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bitter that the GOP chances of making gains in 1982 will be damaged. "It could get out of hand," he says. "As long as it remained private, people could patch things up in public. But once it starts in public, it's more difficult to bury the hatchet."

Curb's strategy

The Republican pot began boiling after the 1978 elections, when Curb, a young recording-industry executive, ousted Democratic Lieutenant Governor Mervyn Dymally. Curb arrived in Sacramento already running for governor. He has spent the past two years expanding his political base, lining up support and raising money. He makes no secret of his plan to run for governor in 1982, even if Democrat Jerry Brown opts for a third term himself.

As part of his long-range strategy to succeed Reagan as the state's top Republican, Curb helped Hallett stage a coup in the Assembly to become the minority leader. Hallett, a former legislative aide, had won a Central Coast Assembly seat for herself in 1976. The Republican leader of the Assembly then was Paul Priolo, a veteran legislator from Malibu. But Priolo had made two mistakes: He had confessed an interest in running for the U.S. Senate in 1980, and he had tried to establish a working relationship with the Democratic speaker of the Assembly, Leo McCarthy.

In 1978, a covey of self-proclaimed "Proposition 13 babies" was elected to the Assembly. They were staunchly conservative Republicans who had ridden the crest of the taxpayers' revolt and who had promised to shake things up when they got to Sacramento.

Hallett and her lieutenants organized the freshmen into a force that ousted Priolo. Curb, in a move that angered many veteran Republican legislators, openly helped Hallett line up votes. That began a Curb-Hallett relationship which has been mutually advantageous.

Curb contends that a leadership change was necessary to create a more dynamic partisan effort on behalf of Republican candidates. Priolo was accused of being too cooperative with Democrats on legislative issues. Priolo's low-key manner plainly was not in tune with the rambunctious image of the new crop of GOP legislators.

Priolo fell rather easily, as it turned out. And in the intervening two years, Hallett has consolidated her position and emerged as a tough, conservative infighter. Although Republicans gained only two Assembly seats in the 1980 elections, she negotiated what many regard as the deal of the decade with Democrat Willie Brown to make him Assembly speaker.

Brown emerged from the shambles of a year-long struggle between McCarthy and Assemblyman Howard Berman. Hallett delivered 28 Republican votes to Brown and received in exchange a number of concessions on committee assignments, staff and legislative procedures.

State Senator Richardson has also helped Hallett by funneling funds from his organization into the campaigns of Republican candidates friendly to her regime.

The Senate scenario

But the coalition's strategy that worked in the Assembly didn't do well in the Senate, where the atmosphere is more clubby and where partisanship has been more muted.

When Deukmejian won the attorney generalship in 1978, Campbell easily moved into Deukmejian's old slot as minority leader in the Senate. Campbell, a rotund, affable political pro from the Los Angeles suburbs, brought to the Senate leadership a more partisan attitude than Deukmejian had displayed.

But from the start of his regime there was trouble with Richardson. A former advertising man who had run for the U.S. Senate in 1974, Richardson had gained not only statewide but nationwide influence as an effective direct-mail fund-raiser. His chief constituency was and is the nation's gun owners and hunters who fear efforts to curb firearms ownership. Through Gun Owners of California, Gun Owners of America and other groups, Richardson solicited a steady supply of campaign funds which he distributed to candidates, including Democrats, who opposed gun controls. Richardson also owns a computer firm, Computer Caging, which handles the technical end of the business.

When Campbell became Senate minority leader in 1978, Richardson took over the GOP caucus chairmanship. The chairman of the caucus is charged with plotting partisan strategy — the recruitment, grooming and financing of candidates for legislative seats. The position carries a number of staff slots, and Richardson plugged them largely with transfers from his private campaign organizations.

Enter Ken Maddy. The former Fresno assemblyman gave up his lower house seat in 1978 to run for governor with financial backing from the state's agribusinessmen. He ran third in a four-man GOP primary, behind then-Attorney General Evelle Younger and ex-Los Angeles Chief of Police Ed Davis.

Richardson had promoted and financed the Davis campaign. Davis and Maddy, plus San Diego Mayor Pete Wilson, divided the anti-Younger vote and the attorney general emerged as the top vote-getter after a lackluster campaign, only to be buried in a Jerry Brown landslide later in the year.

Maddy ran for and won a vacant Fresno Senate seat in a special 1979 election. Within weeks after becoming a senator, the seeds of an anti-Richardson move had been planted. Richardson was accused of lack of partisan interest — a charge he was later to hurl at Campbell. There were bad feelings about the Richardson-named caucus staff. And, finally, Campbell was worried that Richardson coveted his job as minority leader.

Campbell probably had good reason to fear Richardson's ambition. There was a brief flurry of behind-the-scenes campaigning, and when the dust settled, Richardson had been dumped as caucus chairman and Maddy was installed. The Richardson campaign staff switched back to his private organizations and kept on raising money on conservative, anti-gun control and law-and-order themes.

Plugging away

Richardson also kept plugging away. Last spring, the two contending forces clashed again after Democratic Senator Jerry Smith gave up his Santa Clara County seat to take an appellate court post. Campbell and Maddy selected Gloria Hom as their candidate in the special election to fill the Smith seat; Richardson threw his resources behind Daniel O'Keefe. O'Keefe not only clobbered Hom but captured the seat itself after a runoff election with Democrat Rod Diridon. Richardson moved up a notch in his contest with Campbell and Maddy.

The contest — reminiscent of a smaller-scale version of the Assembly's internecine leadership struggle between McCarthy and Berman — continued in the regular 1980 elections. Richardson threw money into Ed Davis' new campaign for a Senate seat and backed, among others, stockbroker Eric Seastrand for a Central Coast seat. Davis won and Seastrand lost, but Richardson was instrumental in saving Senator Ollie Speraw against a strong Democratic challenge in Long Beach.

Richardson's major triumph — one that sent shock waves through the Legislature — was the election of a young, arch-conservative, former Mormon missionary to a Senate seat in Sacramento. John Doolittle, who had worked for Richardson, surprised everyone except himself when he bombed Senator Al Rodda, a Sacramento institution with 22 years of

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legislative service. (*See related article on page 71.*) Although Republicans emerged from the election with precisely the same number of Senate seats — 17 — the Richardson faction had grown markedly. His successes were a major factor in the unceremonious ouster of James Mills as the president pro tempore of the Senate, the top Democratic position.

Liberal Los Angeles Senator David Roberti, citing Richardson's gains, promised Democrats a more vigorous partisan effort to meet the Richardson campaign and gathered up enough votes to dump Mills. Thereupon Richardson openly challenged Campbell, saying the Roberti ascension required a more partisan stance by Republicans than Campbell had managed.

Senator Speraw, a point man for Richardson, sounded the battle call in a public statement that accused Campbell and Maddy of neglecting partisan interests to pursue their own ambitions for statewide office. "They have not provided forthright leadership or a cohesive plan of legislative action around which the caucus membership could rally," Speraw said. "They have exploited their leadership posts for their own personal political interests while refusing to involve the caucus membership in the shaping of caucus directions and activities."

With that, the hunt for votes was on. Nine — a majority of the 17 Republican senators — was the magic number.

At first it appeared that Richardson would make it. He edged up to seven or eight votes and openly wooed the two pivotal players, Senators Marz Garcia of Menlo Park and Jim Nielsen of Woodland. But Campbell fought back. Maddy leaned on Nielsen through the agribusiness industry, while Campbell nailed down Garcia by making him Republican whip. Thus Campbell and Maddy achieved what one staffer called "a hard 10" votes and Richardson threw in the towel — temporarily. "I'm losing, but anyone who has a confrontation with me has to realize that it never ends," Richardson said.

Setting the '82 stage

Curb, meanwhile, is looking forward to a run for the governorship with the active assistance of Hallett and Richardson. Hallett has hinted that she would like to be Curb's running mate in 1982. She has given him access to the rich and politically active community of farmers — a constituency that Maddy had previously claimed as his own. Although Curb's involvement in the Senate leadership tussle was not as open as it was in Hallett's coup against Priolo, there is little doubt that Curb and Richardson have a close connection. Richardson openly admires Curb's political acumen — especially his ability to raise money. Together, Curb and Richardson comprise a political money machine.

Curb, while denying any direct involvement in the Richardson-Campbell tussle, does say it was "a very big mistake" for Richardson to be dumped as caucus chairman in favor of Maddy. "He's good at electing Republicans," Curb says of Richardson.

Campbell-Maddy insiders, meanwhile, make little secret of their dislike for Curb. "The problem with Mike Curb is he's still a lightweight," says one top strategist of that faction. "If he's smart he would make peace with both Campbell and Deukmejian."

Deukmejian. The quiet, highly respected attorney general is the major fly in Mike Curb's ointment. He had given every indication of being content to run for a second term as attorney general in 1982, but beginning in December, Deukmejian began dropping hints that he was interested in the governorship himself. He off-handedly told reporters that he was giving "serious thought" to running for governor because he had been sought out by Republican activists who thought he would be the strongest possible candidate. Later, he took the matter a little further by saying he had hired veteran political strategist Bill Roberts to take soundings.

There's no doubt that Deukmejian is getting some encouragement from the Campbell-Maddy faction. Maddy says he wouldn't mind being Deukmejian's running mate against a Curb-Hallett combo.

The odd man out as the factions choose up sides is San Diego Mayor Wilson, who wants to run again but shows signs of being left at the gate. Wilson covets a one-on-one confrontation with Curb and is telling Republican leaders that if Deukmejian jumps in, it will hand the nomination to Curb as he and Deukmejian split the other vote.

What Wilson hopes is that if he can go face-to-face with Curb, he can rekindle interest in the lieutenant governor's business career — especially allegations that Curb illegally funneled recordings to organized-crime figures while serving as president of MGM Record Corporation.

Deukmejian conducted an investigation into the allegations and issued a report in late 1979 that cleared Curb of any wrongdoing. Curb denied everything and Deukmejian, in his final report, accepted his explanations. But not a few people wonder whether the report contained everything that Deukmejian investigators learned.

"The record business is a dirty one," says one high-ranking Republican politician. "Curb couldn't be as clean as he says. But does Deuk know anything?" There is widespread speculation that if Deukmejian enters the gubernatorial sweepstakes, some new and damaging material might surface about Curb's recording-industry dealings.

Curb admits that if Deukmejian does run "he would be very, very competitive." He's trying to forestall a Deukmejian candidacy by lining up endorsements and money as fast as he can. Curb ended the year with a million dollars in the campaign kitty. He says he intends to raise $6 million before the campaign is over in 1982. We have just about every endorsement there is to have in the Republican Party," Curb says.

Although Wilson would seem to present little problem for Curb, all by himself, the lieutenant governor is also trying to knock him out before the first bell rings. "He's so far behind in the polls it's hard to understand what his strategy would be," Curb says of Wilson.

The infighting between the two surfaced in an unusual incident in Los Angeles in early December. A group of Republican leaders invited would-be candidates to a private meeting. What no one knew is that the remarks inside the meeting could easily be heard by reporters lurking outside. And during the meeting, Curb harshly attacked Wilson, blaming him in part for Younger's defeat by Governor Brown in 1978.

Curb was visibly upset when he learned that reporters had heard the attack. His usually bland demeanor was ruffled. Wilson was delighted at the turn of events that garnered him some rare statewide publicity. He said it indicated that Curb has "a rather desperate mentality."

Ongoing skirmishes

As the new year begins, the war continues. Hallett and Campbell are barely on speaking terms. Campbell is encouraging a handful of dissident Republican assemblymen to harass Hallett. The leader of that band is Assemblyman Dave Stirling, a Campbell protege who took his old Assembly seat. Stirling, for his efforts, was exiled to a sixth-floor office in the Capitol. The Campbell faction believes that Hallett undermined his efforts last summer to block passage of the state budget and to force changes in the welfare payment formula.

Said one top Republican as he viewed the feuding with distaste, "We're beginning to fight like Democrats."

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The Senate's new era under Roberti's leadership

By VIC POLLARD

Last November 10th, state Senator David Roberti picked up the phone and placed a call to James R. Mills. Roberti, a liberal Democrat from Hollywood, was serving notice that he thought he had enough support within the Senate Democratic Caucus to replace Mills as president pro tempore of the Senate.

Mills, who was in New York at the time, was taken by surprise. But he had fended off several such challenges during his 10 years in the Senate's top leadership position, and at first he refused to concede that there was anything different about this one. Mills rushed back to Sacramento, furiously denouncing Roberti as "arrogant" and "incompetent," a man not even qualified to serve as a committee chairman, let alone pro tem. After only a few days of testing the strength of the revolt, however, Mills was forced to withdraw.

Roberti's swift, smooth accession to the leadership post, in such sharp contrast to the messy speakership battle in the Assembly, brought an end to an era in the upper house. Under Mills and his predecessors, the Senate had maintained a chummy, clubby atmosphere where friendships often meant more than party, and political alliances were frequently based on issues and other pragmatic considerations rather than partisanship.

By contrast, Roberti's campaign for the top office was based on the premise that if the Democrats want to preserve their majority in the upper house, they will have to make an all-out effort to start working together in a frankly partisan manner. He pointed to the Republican tide in the November elections which weakened the Democratic majority in the Assembly and helped defeat the highly respected Senator Albert S. Rodda in the Senate. He argued that the trend has an ominous portent for Democrats in the 1982 elections, when 14 of the 20 open seats will be Democratic. He also pointed out that the debilitating leadership battle in the Assembly has forced the new Democratic speaker, Willie Brown, to make compromises with the Republicans that will give the GOP a stronger hand in reapportionment negotiations.

But the end of the old era in the Senate was not actually a dramatic break. Much of the fun of being a state senator in the grand tradition drained away in 1974 when voters approved Proposition 9, the Political Reform Act. That effectively destroyed the cozy relationship between lawmakers and well-heeled lobbyists which made the life of a senator a comfortable one, even if it did lead to obvious corruption. Nevertheless, some traditions of the Senate as a club for gentlemen — and more recently ladies — persisted under the dignified, somewhat bipartisan leadership of Mills.

But Roberti says growing concern over the shifting mood of the electorate and developments in the Legislature led to increasing dissatisfaction with Mills' leadership last year. Toward the end of the last session, he says, state Senator Rose Vuich of Dinuba and Senators Diane Watson and Bill Greene began urging Roberti to make a move. Greene and Watson, both blacks from Los Angeles, wanted a more liberal orientation in the house and Vuich felt like an outsider. They were joined by others who felt left out of major decisions, including Senators Alan Robbins of Van Nuys, Paul Carpenter of Cypress, Joseph Montoya of El Monte and Alex Garcia of Los Angeles.

Another event helped Roberti make his final decision: a call on election day from Senator John Garamendi of Walnut Grove. That impressed him, Roberti told a reporter, be-

Vic Pollard is a Capitol reporter for the Gannett News Service.

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cause Garamendi was a Senate insider. The following day, Roberti was also firmly nudged by a newly elected freshman who hadn't yet been sworn in as a senator, former Assemblyman Dan Boatwright of Concord. That would be considered brash in anyone but Boatwright, whose election to the Senate is the political equivalent of dropping a piranha into a tank full of guppies.

Assembling the team

Well before the Senate convened for its organizing session in December, Roberti had cemented his victory and assembled a predominantly liberal leadership team with the assignment of bringing hard-eyed partisanship to the upper house. The team included Garamendi in Roberti's old job as majority floor leader and Barry Keene of Elk as a new member of the powerful Rules Committee. Keene replaced Senator Robert Presley of Riverside, a conservative Democrat who had designs on the pro tem spot himself if Mills decided to step down voluntarily and who opposed the Roberti revolt to the end. The one conservative Democrat on the new team is Carpenter, who was installed as caucus chairman.

Although the new regime has a frankly partisan outlook, with a more liberal cast, neither Roberti nor anyone else contends that the upper house is about to march off to the left. The fiscal crunch and the conservative mood of the voters make that unlikely. Roberti says about the best Democrats can hope for is to band together in an effort to prevent a rapid erosion of existing programs in the social welfare, civil rights, labor and consumer-protection areas.

"I would say, as far as Democrats are concerned, we will be holding the line on the kind of programs we value," Roberti concedes. "I would say our concentration of votes would help us there. But talking about any new approaches, I think things become somewhat fragmented."

Republicans clearly aren't worried about that. "I think Dave is going to be very pragmatic," said Republican leader William Campbell. "Given the budget constraints we have, it's going to be impossible to be a flaming liberal." I think if we see any real partisanship, it's going to be in terms of protecting the 14 Democratic seats that will be up for election next year."

The Senate leadership change was in part a reaction to the defeat of Sacramento's Al Rodda by a relatively unknown attorney, James Doolittle. "That was a real shock," Roberti says. The shock was not so much in the fact of Rodda's defeat as in the way it was accomplished. Rodda, the dean of the Legislature and perhaps its most respected and beloved member, was blindsided in a campaign masterminded by the whiz-kid of the computerized New Politics, Republican Senator H. L. (Bill) Richardson of Orange County. Richardson's involvement signaled the end of what the Senate considered one of its finest traditions. One thing that always set the genteel atmosphere of the Senate apart from that of the more unruly Assembly was an informal agreement that no senator would actively work for the defeat of a fellow incumbent, regardless of party lines.

"Some people have called it a ritual song and dance, which was never really true in the first place," Roberti says, "but we followed pretty clear-cut guidelines. That sort of went out the window four years ago when each side thought the other side was involved in races against them, but this year it was overt as all get-out."

However, the emotional jolt of Rodda's defeat was minor compared to what it meant in terms of political realities. No seat in the Legislature was considered safer than Al Rodda's. His defeat was a clear signal to Republicans that almost any seat can be taken — and an equally clear message to Democrats that it will take all the money and skill they can muster to protect their flanks in 1982. Democrats hope to reduce that threat by playing their reapportionment cards right. But if redistricting based on the 1980 census goes anything like that for 1970, the issue may not be decided before the next election, giving the GOP another chance to strengthen its hand. For Democrats, that multiplies the danger that the lesson of the Rodda defeat will touch off a partisan free-for-all in the 1982 Senate elections.

At least one prospect for the Roberti regime is positive: It has the opportunity, for the first time in many years, to make the Senate the dominant house of the Legislature. Since the 1960s, the iron-fisted rule of the Assembly speakers and their penchant for rejecting the Senate's more conservative legislative agenda have relegated the upper house to the role of reacting to the lower house. Now that the Assembly leadership has been weakened by compromises with Republicans, Roberti is hopeful that the Senate's influence will rise again.

"I think power gravitates to where you have a clear concentration of votes," he says. "In the Senate, we now have somewhat of a singleness of purpose on the part of Democrats to program together. Those things make for a concentration of power, and it should help us *vis à vis* our standing with respect to the Assembly.

"For a long time," he says, "the Senate was run on the basis of other kinds of coalitions — Young Turks versus Old Guard and so forth — and they always involved a different kind of political mix. That doesn't mean that everybody is going to vote in lock step — the Senate still defies that. But it should help."

An effective orator

The new Senate leader is normally a quiet, unobtrusive man, but he can turn suddenly into one of the house's most effective, partisan orators, capable of slashing, personal attacks on his opponents. In debate on a piece of Proposition 13-related legislation last year, Roberti delivered a blistering tirade against popular tax crusader Howard Jarvis, using the "popcorn ball" epithet with which Jarvis described legislators to characterize Jarvis himself. Despite the bitterly angry tone of his speech, Roberti was able to turn away from the microphone immediately and laugh uproariously at his own audacity.

In Senate sessions and committee meetings, Roberti is known for slouching so far down in his seat that he can hardly be seen. He moves with a ponderous gait, and re-

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porters have twitted him about his habit of walking so close to walls that he grazes them with his shoulder.

He has one personal idiosyncrasy that was used against him in the battle over the leadership post: his habitual lateness, especially for morning meetings. "David is not a morning person," says one senator. "He works late at night and he's not up early in the morning. It's just a different style. Everyone puts him on for not coming in at 10 o'clock, but nobody says anything about the late hours he puts in."

Roberti bristles at the criticism of his tardiness. "I don't oversleep," he insists. "I am late because I am very busy. Sometimes I will carry as many as 90 bills in a session." He says he will not try to carry that many bills on top of his duties as pro tem, but his colleagues don't look for much change in his personal time schedule. "I don't foresee a lot of breakfast meetings," says one.

One personal trait that many find curious is Roberti's staunch loyalty to Senator Alan Robbins of Van Nuys. From the outset of his campaign for the leadership post, Roberti made no secret of the fact that he was considering Robbins for a committee chairmanship, despite the fact that Robbins was one of the most unpopular members of the Senate with his colleagues even before he was charged with illegal sexual conduct with teen-age girls.

Although they disagree on major issues, Roberti and Robbins have been friends and frequent political allies for a long time, going back to their days together in the Los Angeles Young Democrats. And Robbins was one of the earliest supporters of Roberti's bid for Mills' job. But that hardly explains why Roberti was willing to go farther than necessary in risking political embarrassment with his current support for Robbins, who will automatically lose his Senate seat if he is convicted of the sex charges.

The new pro tem (who is described by one of his colleagues as "a bit of a prude") says he is standing by his old friend solely out of a sense of fairness and his commitment to the ideal of civil liberty. "I really believe that he has the right to be presumed innocent until proven guilty," Roberti says. In addition, he acknowledged that the personal dislike for Robbins among his colleagues has cost him a chairmanship that was due years ago. "It's his turn," Roberti explains simply.

It is perhaps a mark of Roberti's character that neither his friends nor his critics question the sincerity of his announced motives in standing by Robbins, although they readily acknowledge his political debt to Robbins. "I think Alan was there early, supporting David's campaign for pro tem," says GOP leader Campbell. "When you put the two together, it's a powerful combination."

A broken window

At 41, Roberti is the near-complete political animal, devoting so much time to his job as a legislator that he says he has none for a law practice or any other source of outside income. He was born in East Hollywood, which is part of the district he now represents, and he knows a remarkable number of his constituents personally. Political consultant David Townsend's favorite story about Roberti concerns an incident that occurred while the two were walking precincts together during a campaign. Townsend recalls that Roberti "pointed to one house and told me I'd better go talk to that guy. He said 'He and my father used to feud and I broke his window once.' "

Of Italian descent, Roberti is the son of a tailor who moved from Colorado at the height of the Depression, taking what work he could find in the movie studios while his wife ran a small grocery store. Young David attended Loyola High School and Loyola University in Los Angeles. He developed an early interest in politics and in his undergraduate days he became very active — as a Republican. But after rising to the presidency of Loyola University's Young Republican organization, he says he became disenchanted with the GOP and switched parties in 1960. "The main reason was that in my heart I was always very interested in civil rights," he says, "and my feeling was that the Republicans were not there. I started to feel isolated."

After graduating cum laude from Loyola in 1961, he took a law degree from the University of Southern California in 1964. He worked briefly as a law clerk and as a deputy state attorney general, but when the Assembly seat opened up in his old home neighborhood in 1966, he ran and won. He rose to become chairman of the Assembly Labor Relations Committee, and when a local Senate vacancy arose in 1971, he went after that.

Roberti is a classic urban liberal on issues like civil rights, labor and consumer protection. With varying degrees of success he has pushed legislation to ban housing discrimination against children and job discrimination based on marital status and sexual preference. He authored the landmark Roberti-Z'berg Urban Open Space and Recreation Act to provide state aid for city park programs; he sponsored a $100 million aid program for low- and moderate-income housing. He also authored a privacy law to regulate state use of personal information, and he is an adamant opponent of the death penalty.

But Roberti also sides with conservatives on a few issues, chiefly in his opposition to abortion. That is often attributed to his Catholic upbringing, but Roberti says his view of the issue goes far beyond religion. "I think the democratic ideal gets distorted sometimes," he says. "We tend to think of liberty as the highest ideal, but I think there are some values that are higher than liberty. I think life is more important than liberty. We very seldom deal with life issues, but abortion is one of those times when we do. The Constitution says 'life, liberty and the pursuit of happiness' in that order."

He also worked unsuccessfully to outlaw the defense of diminished mental capacity in criminal cases, a tactic used by Dan White in his trial on charges of murdering San Francisco Mayor George Moscone and Supervisor Harvey Milk. White was sentenced to seven years in prison and could be eligible for parole in five.

Roberti has been described as a political enigma whose stands are often inconsistent. He dismisses such statements, saying his positions are in perfect harmony for a lawmaker who values life and liberty (in that order) and represents the kind of urban district he serves. "I think everybody else's position is inconsistent," he quips.

Consistent or not, Roberti is the man with the task of leading the Senate out of its almost-innocent age of bipartisanship and of trying to put the Democratic caucus in control of the agenda.

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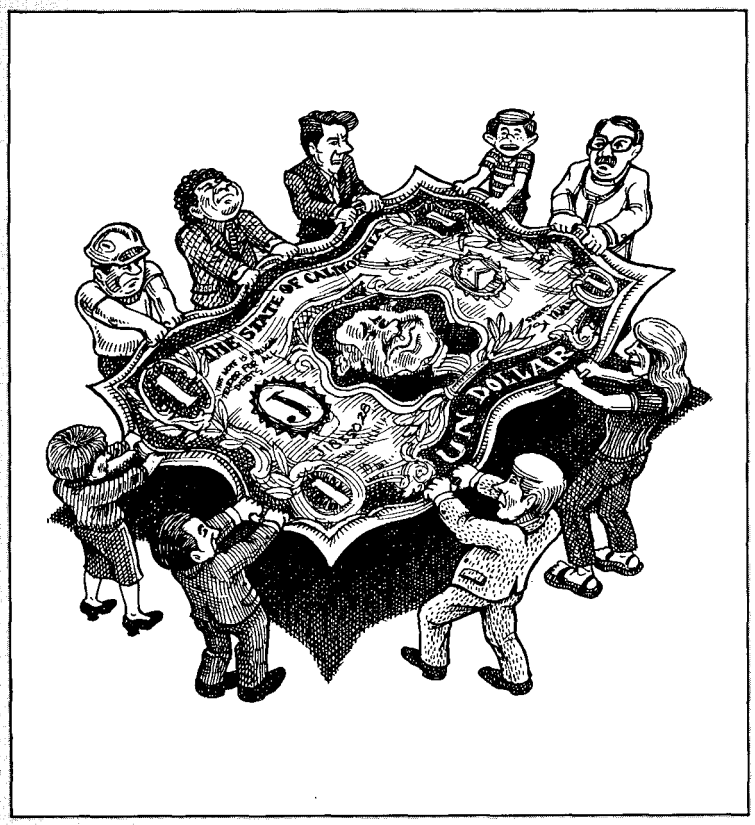
OPEN SEASON
ON ANOTHER $509 MILLION

Brown's austerity budget: $620 million held in reserve



CARL MUECKE

By ED SALZMAN

For months, the word emanated from Sacramento that the Proposition 13 axe was finally going to fall on state and local government in California. State employees were bracing themselves for a proclamation from Governor Jerry Brown that no money was available for a pay raise this year. Local government feared that the so-called Proposition 13 deflator would be put into operation, drastically reducing state bailout assistance to schools, cities, counties and special districts. But when the Proposition 13 axe finally fell, it sounded more like Proposition 6½.

Governor Brown's budget is tight, to be sure. It contains virtually no money for substantial new programs. It falls far short of keeping pace with the cost of living. It employs a couple of gimmicks to make ends meet. But it also:

- **Actually increases** state aid to local government by a token amount.
- **Provides some increases** to keep pace with the cost of living, although not enough to meet all formulas now in state law.
- **Provides a kitty** of $509 million for the Legislature to employ for pay raises and other unspecified purposes. Brown's goal is to increase almost everyone tied to the cost of living about 5 percent next year.
- **Still leaves the state** with a $620 million surplus for economic uncertainties. This reserve is bound to be the target of public employees, welfare recipients and others seeking to keep pace with inflation which the administration estimates will run about 11.4 percent this year.

This is the first budget in recent years that is balanced within itself and does not depend on the state's once-huge surplus to stay in the black. In fact, economic conditions fell below expectations in 1980, forcing the state to dip into its reserve for economic uncertainties. In addition to keeping government rolling at about the same pace next year, Brown's spending plan would employ about $250 million to replenish the reserve.

Into the bone

Brown and his director of finance, Mary Ann Graves, estimate that the state and local governments have been absorbing about $10 billion a year in tax reductions since the passage of Proposition 13. Should the voters approve a measure to eliminate the state inheritance tax, they say, the net loss would be about $500 million. That would force the Legislature to make extremely hard choices — either cut into the bone of government or increase other taxes. It appears from Brown's 1981-82 budget that the state may be able to maintain the fiscal status quo over the next couple of years if the economy turns around in the next few months. Otherwise, those who depend on government to maintain their standard of living will undoubtedly start pushing for some kind of a tax increase, with an increased property levy on business the leading candidate.

The state's surplus was about $4 billion in 1978. That has been eradicated in the provision of bailout funds for local government. In the current fiscal year, the state estimated that its income will grow about 6 percent "This is not healthy," observed Graves. "It is only half what it used to be." Graves said that Brown's $24.5 billion budget — with an increase of only about 1 percent from the current level of spending — will be balanced only if the economy improves toward the end of this calendar year. She is forecasting a 10.3 percent increase in revenues during the next fiscal year. That is based on a 14 percent hike in sales taxes, a 7.4 percent boost in personal income taxes and a 13.4 percent rise in the bank and corporation tax.

Here are the increases in economic factors that provide the basis for the revenue side of the budget:

Personal income, up 11.9% (compared to 12.5% in 1980)
Corporate profits, up 11.9% (5.1%)
Taxable sales, up 12.4% (8.8%)
Unemployment rate, 6.7% (6.8%)
Housing starts, up 25% (-33%)
Auto sales, up 2.6% (-15.7%)
Cost of living, up 11.4% (15.7%)

Brown was able to pull off a status quo budget and even go part way toward meeting the increase in the cost of living because he cut some $146 million in expected state expenditures, juggled funds between elements of local government and captured a $500 million property-tax bonanza won by local government in a state Supreme Court case.

The total price of cost-of-living adjustments (COLAs) under current law would be some $1.3 billion. Brown placed $742 million in the budget and asked legislators to suspend the current laws for one year. In addition to the $742 million, there is the unallocated pot of $509 million, over which various interest groups will commit mayhem. Brown proposed that welfare recipients, who already suffered a cutback on

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January 1st, get 4.75 percent increases (instead of the 11.2 percent in current law) and that schools get a 5 percent funding increase (compared to 7.2 percent under current formulas). In addition, Brown placed no money in the budget for additions to special school (categorical) programs. Those funds would have to come from the $509 million, the governor indicated.

The dirty work

The main fight this year will not be over the budget bill itself. Instead, the legislative combat will be over the details of a companion bill to be introduced by Senate Finance Committee Chairman Alfred Alquist and Assembly Ways and Means Committee Chairman John Vasconcellos. That measure would do all the dirty work that will make the governor's budget balance. It would shift property-tax revenues to the schools, wipe out the deflator, capture the tax windfall, suspend all automatic cost-of-living increases for one year, make some cutbacks in welfare, day-care, school-meal and driver-training programs, increase fines for crimes, and eliminate some minor areas of regulation by the state Public Utilities Commission. Normally, such an omnibus bill would not be considered by the Legislature because it covers so many subjects. But these are unusual times, and it will probably be framed as a budget "trailer" or "leader" bill and win the blessings of the legislative counsel.

Probably the most controversial aspect of Brown's spending program will be his treatment of local government. In effect, Brown said he set the example for austerity by cutting state operations to the bone. And he expects local officials to share the burden of Proposition 6½. If the administration figures are right, local government will actually be better off than the state. The main reason is that property tax revenues have been increasing at the rate of 18 percent a year — three times as rapidly as state tax receipts are now growing. Finance director Graves, an economic forecaster by training, indicated that county income should rise 9 percent next year, city revenue by 7 percent and school receipts by 4 percent. (School enrollment has been dropping.)

Instead of cutting local appropriations drastically, as would be required under the "deflator," Brown proposes a small increase: from $5.5 billion this year to $5.6 billion next year. But the state is also taking away the $500 million windfall from local government and using half the money to replenish the reserve fund. Another $147 million would be used to repair schools and the remainder for two of Brown's pet programs:

- **Crime control.** In his state-of-the-state message on January 8th, Brown gave the impression that the state was about to launch a crime-prevention crusade with a new allocation of $120 million to help local police. But examination of the budget gives an entirely different picture. Most of the $120 million goes to build jails and prisons already on the drawing board, to care for increased prison caseload, to take over the cost of some federal safe-streets-act programs, and even to provide more personnel for the courts (which have a larger civil than criminal caseload).
- **Electronics industry.** Brown budgeted $7 million — an insignificant amount in a $24.5 billion budget — to help the University of California and private industry develop a microelectronic research facility. Brown said it is vital that California maintain its lead in the "information revolution" and not lose ground to Japan and such other states as Minnesota and North Carolina.

Keeping schools afloat

In addition to taking the $500 million windfall away from local government, Brown also was forced to make adjustments in property-tax distributions to prevent the schools from going into the red. (Brown's explanation for confiscating the windfall: "We're all in this together.") In recent years, schools happily gave up property-tax revenues in exchange for state aid. That's because the state looked like a more reliable source of money during the heyday of Howard Jarvis. But now property-tax revenues are rising more rapidly than state income. So Brown has proposed that $420 million be taken from cities ($240 million), counties ($150 million) and special districts ($30 million) to help keep the schools afloat. The cities are especially upset about the prospect of losing funds, but Brown feels that they have more revenue flexibility at present than any other element in the government mix.

Higher education was hit especially hard by the Brown budget. The governor proposed that the state college and university system be kept level at $937 million, that community colleges suffer a loss from $1.06 billion to $937 million and that the University of California be given a modest increase from $1.06 to $1.1 billion. These totals do not include any pay-increase funds. Those funds would be added following negotiations between the administration and representatives of state workers.

At the other extreme is the state Legislature, which determines its own level of spending. Governors don't dare touch the lawmakers' proposal for fear of retribution. "It's a co-equal branch of government," explained Brown. In the current year, legislative expenditures are expected to total $89 million. The allocation for 1981-82 is $103 million, an increase of 16 percent.

Laden with gimmicks

In assessing the overall budget, it is virtually impossible to compare Brown's proposal with expenditures for the current year because the new spending program is so laden with gimmicks (the $509 million unallocated fund, the $500

Budget facts and figures

Total: $24.5 billion, up 1 percent from the current level of spending and up 2 percent from the budget submitted a year ago. (These figures do not include retroactive pay for state workers.)

Taxes: No tax increases or decreases.

Economic forecast: Return to normal growth by the end of 1981.

Local-government Proposition 13 bailout: $5.6 billion, up $112 million.

Where money goes: education, 43%; health and welfare, 29%; business, transportation and housing, 6%; property tax relief, 5%.

Where money comes from: sales tax, 34%; personal-income tax, 31%; transportation taxes, 9%.

Projected year-end surplus: $620 million for economic uncertainties.

State employees: 226,743, up 270 from the current year.

Pay raises: To be negotiated, with $509 million allocated to provide pay raises and various other increases tied to the cost of living.

Companion bill — Eliminates automatic cost-of-living increases and makes a variety of other changes in the law that will help balance the budget.

Federal funds: $10.6 billion, up from $10.4 billion in the present year.

Outstanding bonded debt: $6.3 billion at the end of 1980, up from $6.1 billion the previous year.

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The governor's message

The following is the complete text of Governor Brown's budget message to the Legislature:

Tax cuts supported by my administration such as income tax indexing, increased credits for renters, special credits for conservation and solar energy, and a reduction in the inheritance tax, have significantly reduced the revenue base which created past surpluses. (State income tax cuts this year alone will total about $2.5 billion.)

For this reason, the moment of truth is upon us. Cutbacks are required in state and local government. California, once at the top of the list among states in taxes, has dropped dramatically to the middle. Our spending must reflect this leaner diet of public funds.

Even in an era of limited resources, however, government must be prepared to meet new challenges. This budget proposes new or revitalized efforts in the following key areas:

1. Technological innovation to strengthen the economy;
2. Crime prevention, law enforcement, jails, and prisons;
3. Energy and resource investments.

I have tried to make the reductions as thoughtful as possible. None are in concrete and I intend to work cooperatively with you to write a final budget that satisfies both our principles and the available revenue.

million windfall, the $420 million property-tax shift, plus all the elements in the Vasconcellos-Alquist omnibus bill). But it is possible to see how the budget is divided between state and local government. All of state operations total only $5.8 billion — less than the amount of taxes lost each year through Proposition 13. Local assistance is $17.7 billion. Capital outlay and bond funds total $514 million. The other major item is the $509 million Brown put up for grabs.

In actuality, the entire budget is up for grabs. Brown made it clear he views his huge fiscal plan as "not final by any means" — just a starting point for discussions. He warned that economic conditions might dictate even deeper cuts in May, when the final estimates are presented to the fiscal committees of the Legislature. The governor indicated that there is probably enough money around to prevent any layoffs in state government and perhaps none in local government. In terms of cash available, the state can provide about a 5 percent increase for almost anything affected directly by the cost of living — and still keep $620 million in reserve. But in terms of real dollars, that would represent a loss of some 6 percent for public employees, welfare recipients, healthcare providers and all others who have traditionally kept pace with the consumer price index.

There is no chance that state revenues will increase sufficiently to provide for a substantial increase in allocations during the May revisions. This means that all of the interest groups which depend on the state for nourishment will be competing among themselves for the favor of the Legislature. Cities, for example, have established a good working relationship with lawmakers; they may succeed in reducing their loss of property-tax revenues. Even before Brown's proposed cut in cost-of-living allocations, welfare organizations were at work trying to restore the reductions in benefits that went into effect on January 1st. And public employee organizations, with their enormous political clout, are expected to push for maximum pay increases.

The state apparently will muddle through without a true crisis this year. But how many years will governors be able to balance budgets using tideland oil revenues, property-tax windfalls, shifts between elements of local government and other one-time tactics? Eventually, there will either be cuts in government programs or changes in the revenue structure. Within the next 16 months, three major tax decisions must be made:

- **Should the inheritance tax** be abolished, as proposed in two initiatives that have already qualified for the ballot? If the voters approve that, the loss cannot be absorbed without significant impact on state programs, aid to local government or other elements of the revenue mix.
- **Should full cost-of-living indexing** of state income taxes be continued? Or should partial indexing be restored? Or should indexing be lifted completely? Partial lifting of indexing would probably allow the state to prevent a serious Proposition 13 crisis. But there is strong pressure, within the Legislature and elsewhere, to maintain full indexing, and the issue may qualify for the ballot by initiative. Brown wants the Legislature to keep indexing options open as a safety valve should the Proposition 6½ problem escalate into a Proposition 13 crisis next year.
- **Is the solution** to all of the state's fiscal problems the adoption of a separate property-tax system for homes and for businesses? This split-roll approach has strong supporters within the government community. It can raise large sums of money and has built-in inflation factors. Perhaps its greatest virtue is that it can be sold to voters as a tax increase that applies only to businesses which have been paying a smaller percentage of property taxes since the enactment of Proposition 13.

The inheritance-tax issue is already before the people. Indexing initiative petitions are being circulated. And several groups are at work drafting split-roll measures. It is not beyond the realm of possibility that all three issues will find their way to the ballot in June of 1982. Imagine the conditions in the Capitol next June with so much at stake just a few weeks before the start of the next fiscal year. By comparison, the Legislature this year is merely engaged in a minor skirmish over the Proposition 6½ budget.

Frank Mesplé internship fund

The Frank Mesplé Internship Fund was created to help support students working for the *California Journal*. The interns observe state and local government and prepare articles for publication in the *Journal*.

The fund was founded by the *Journal*'s board of directors in memory of Frank Mesplé, who had served as a government professor, legislative advocate, gubernatorial aide and wit-about-Sacramento. The purpose of the fund is to carry on Mesplé's commitment to the youth of California and to the democratic process.

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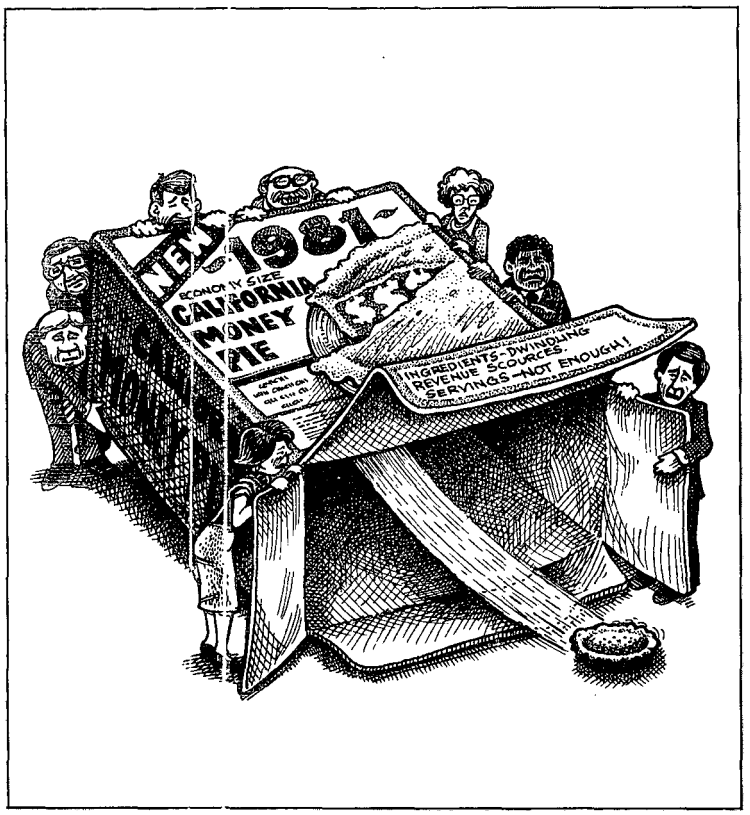
TIME FOR MAJOR SURGERY

A local-government view of the moment of fiscal truth



CARL MUECKE

Over the next few months, the Brown Administration and the state Legislature will be grappling with the tight-money consequences of Proposition 13. Various interest groups will be pleading their cases for allocation of state funds before legislative committees. In the following article, the chief administrative officer of Alameda County gives his views on how the state should proceed.

By MEL HING

The twice-delayed "moment of truth" has arrived for Proposition 13. For the first time since the 1978 vote, the governor and the legislative budget writers do not have a huge surplus on hand to cushion revenue losses.

Something has to give. It could signal the beginning of the end for California's almost unique non-partisan form of local government. Or it could be the beginning of a new era of cooperation, rather than rivalry, between state government and the counties, cities, special districts and schools.

A cynical state financial expert recently observed that local government folk who have been "bailed out" for two years now want to become statesmen — now that the state's surplus money has dwindled.

True. Change is inevitable. Government is going to be restructured in California as a result of our actions — or in spite of them. The Legislature and the governor still have time to guide the change along constructive lines. If they fail, the changes will be chaotic, fragmentary and wasteful beyond the already-pronounced horrors of the tax revolters. And, given recent history, it is not too far-fetched to suggest that the change will be accomplished by another voters' initiative if it is not accomplished by government.

Realistically, we know there is a limit on the size of the money pie, plus the greed factor to be dealt with. Not only have the revenue sources been diminished, but spending has been restricted by law. Given these facts, the time has come for a genuine cooperative relationship to replace the traditional adversary bickering.

Mandates and revenue cuts

From the county point of view, there are four main factors that will have to be dealt with by the Legislature and the governor — or by the electorate:

- **A recognition** that most county programs are mandated. Counties are required to run the welfare program, to provide for the sick and the needy, to operate the courts, and to carry out numerous regulatory programs.
- **A realization** that the state earmarks a great deal of the revenue that it subvenes to the counties. Road funds are earmarked, public health funds are earmarked, criminal justice system funds are earmarked, and welfare expenditures are earmarked. After one gets through counting up all the earmarked revenues, there is very little discretionary money available.
- **The fact that** voters have ordered elimination of the traditional means of dealing with money problems. We can no longer increase property taxes — and even if we could, we are limited by Proposition 4 of 1979 in the expenditures we can make.
- **The built-in cuts** that appear to be inevitable in 1981 - 82. The hastily enacted AB 8 deflator mechanism certainly will be replaced this year by another state control device. Until it is, a Catch-22 condition prevails for local operations.

This then is the situation: 1981 will be a year of change, and any change will have to deal with mandated programs, earmarked revenues and expenditure limitations. The short-term goal in 1981 - 82 should be stability in financing for local government. This means that the state should make every effort to see that there are no drastic cuts in one fiscal year.

A corollary of this goal is that care should be taken in reacting to forecasts. No nonreversible decisions should be made on the basis of early forecasts.

The long-term goal for dealing with the financial problems of the '80s should be a restructuring of state and local fiscal relationships. If we begin now, the change can be orderly. It should start with an analysis of which level of government ought to be doing what, and how resources should be allocated to pay for the work to be done.

Whatever the new structure looks like at the end of this period of change, it should have, as one of its main goals, the preservation and strengthening of the ability of local government to plan the allocation of their resources. Stability in financing is the key to effective planning.

No one at this point can draw a picture of what California government will look like three years hence, but it is possible to foresee three main paths that can be taken in the restructuring process.

The first possible path is that of greater control by the state of local government expenditures. If this path is taken, eventually there will be a combined state-local government

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budget. The Legislature would annually set either guidelines or specific amounts for virtually all local expenditures.

The second path would allow crises to establish the allocation process. In effect, this is the system we are living with now. It leads to conflict and competition among units of local government; it is disorderly, irrational and wasteful. Choices are too often made, not on the basis of public preferences, but on the basis of the strength of lobbying effort and personal predilection.

A third path is that of increased freedom. This is the path of reducing mandates, of eliminating earmarked funds, and of making revenues available on a continuing and stable basis.

It should be obvious, of course, that counties favor the path of greater local discretion. The values of this path are threefold: a more efficient allocation of resources, a more effective response to public demands, and a reduction in the cost of administration. It is time now to experiment with less centralization. The end product, it is hoped, will be a diminution of the adversary style in governmental relations.

County Budgets

(in millions)

How Counties Get Their Money (1979 - 80)

Taxes: General property	$1,682
Sales	229
Other	138
Licenses, permits	71
Fines, forfeitures	94
Interest income	207
Other government agencies	5,445
Charges for service	573
Other	115
Available fund balance	829
Total:	$9,383

How Counties Spend Their Money (1979 - 80)

General government	$1,830
Public protection	1,819
Public roadways	610
Health	917
Medi-Cal contribution	-0-
Public assistance	3,777
Education (libraries)	99
Recreation/cultural	109
Debt service	23
Contingencies	159
Reserve provisions	40
Total:	$9,383

Here is a list of some specific issues that must be addressed this year:

Deflator: The Legislature must rework the slap-dash deflator to preserve a local voice in the expenditures of all revenues.

Revenue sharing shift from counties to cities: These federal funds use the local property tax effort as a partial yardstick in allocation. Since counties have fewer sources of revenue than cities, and thus have depended more on property taxes than on city-type user taxes, the county allocation has been diminished. It's the law. The effect of this shift should be phased in over a period of years rather than be allowed to take place all at once. Shared revenues should be adjusted to buffer the effects of the shift. In addition, there should be consideration given to revising the "tax effort" yardstick in allocating these funds. The present system rewards higher taxes and thus is a disincentive for thrifty management.

The personal property tax riddle: Because Proposition 13 was vague in its language, a dispute arose over how such personal property as boats, airplanes and that sort of wealth should be taxed in 1978 - 79. Some counties taxed at a higher rate than others. The Supreme Court of California ruled in favor of the higher-rate counties. The court's ruling in favor of the already-collected higher taxes should be followed uniformly throughout the state, but the funds should be assigned to capital outlay purposes such as new jails, hospital renovations or replacement, and other government-required construction projects.

Earmarked revenues: The state should stop trying to dictate a program for all of California. The problems in Alpine County are not the same as the problems in Alameda County or San Francisco or Los Angeles. The answer lies in a block grant and a reasonable recognition by the state that local needs are diverse.

Assessment roll changes: The Legislature has revised the definition of "change of ownership" for purposes of Proposition 13 and has made the changes retroactive. These revisions require the assessor to go back through earlier assessment rolls to determine which taxpayers are entitled to a refund because their "change of ownership" belongs to an exempt class. The Legislature should pay for these new mandated costs and revenue losses.

Capital outlay financing: The state should establish a process to allow local governments to obtain lower interest rates for such projects as jail and hospital financing. This could be accomplished by establishing joint powers agreements between the state and local governments for the financing of particular projects. This means the state would back the bonds of its county partner and the interest rates would be significantly lowered.

Retirement: Counties should be able to bargain with their employees for a less costly retirement system. Legislation should be passed to enable counties to develop and implement such systems within the collective bargaining framework, with mutual consent.

Public protection: In the field of public protection, the prime need is funding for jails. Tidelands oil revenue should be allocated for this purpose.

Welfare: The state should review the regulations pertaining to error rates. Client-caused errors and technical errors should not be included in the calculation of an error rate. The concept of sanctions in this field is unworkable.

Medi-Cal: The state should establish a pilot program to alleviate cash flow problems and over-regulation.

If the Legislature can deal effectively with these short-term issues, the groundwork will be established for reaching the long-term goal which is, to repeat, a restructuring of state and local fiscal relationships. Major surgery is needed to save the patient, not the continued band-aid approach.

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THE SCIENCE OF SERENDIPITY

The near-impossible job of economic forecasting

CARL MUECKE

By LAURA REMSON MITCHELL

When Sid McCausland, acting executive secretary of the Commission on State Finance, suggested last June that it would take some plain good luck to make the commission's forecasts turn out right, at least some of the commission members were not amused.

"They felt that it (accuracy) should be something that we could control analytically with some mathematical assurances. But, in fact, it takes serendipity (fortunate accident)," McCausland says.

The commission was established by statute in September 1979, and charged with forecasting state revenues, current-year expenditures and any surplus or deficit. These forecasts are to be made at least four times a year, according to the statute which will be repealed automatically on July 1st, 1984, unless the Legislature extends it.

Creation of the commission — a bipartisan body bringing together members of both the legislative and executive branches — highlights the significance now attached to economic forecasting in the state budgetary process. Such forecasts are important because, other things being equal, the level of economic activity determines the amount of revenue available to the state. Serious miscalculation about the economy can give the state an unexpected surplus or deficit of funds.

The commission was born out of dissatisfaction with official fiscal estimates — dissatisfaction fueled by frequent underestimates of the state's general-fund surplus. According to a 1978 report by the legislative analyst's office, "The primary cause of the buildup in the surplus was that revenues in each fiscal year since 1973-74 have exceeded the level projected in the May revision (the last estimate available to the Legislature before the next year's budget is adopted) . . . This was largely due to the fact that the California economy consistently outperformed the expectations of forecasters — both public and private."

The computer aura

But if the economy performed better than expected, the forecasters did worse. That may be due, in part at least, to unrealistic expectations by forecast-watchers.

"You don't weigh (forecast) accuracy against the accuracy of the astronomer telling us where Mars is going to be 40 years from now — you look at it relative to what's feasible," says Larry J. Kimbell, director of UCLA's economic forecasting models.

The use of computers in modern forecasting may be creating an aura of mathematical precision that obscures the vital role human judgment plays in the process. Many forecasts use "econometric models" — statistical simulations of the economy that utilize computer technology. By entering the most accurate, up-to-date economic data available and processing it through the model, the forecaster can get some idea of what is likely to happen in the future. But judgment is required to design a model that accurately reflects the real world. Furthermore, unexpected developments can invalidate any computer projection. The best forecasts, most seem to agree, combine econometrics with independent judgment.

"Forecasting is not a science," says Raymond Jallow, senior vice president and chief economist for United California Bank (UCB). "At best, it is an art." In his foreword to UCB's 1981 forecast, Jallow explains further: "We put our skills to work with the use of sophisticated computer-oriented econometric models. This is essential in order to assimilate huge volumes of data. Then, with the visibility gained from model-building and insight from historical patterns, we make the final predictions tempered by our experience and judgment."

The state Department of Finance has its own econometric model, though it's much smaller in scope than many commercial and academic ones. According to Pauline P. Sweezey, California's chief economist, the state doesn't need some of the information the larger, more complex models were designed to provide. Nevertheless, she says, "we're still working on it. We're still making changes. I'd say hardly a quarter goes by but we haven't done some improvement to our model."

As part of its effort to produce solid estimates of California's fiscal position, the Commission on State Finance hired Data Resources Incorporated (DRI) to evaluate the state's existing economic and revenue-forecasting methods. DRI is a prominent commercial forecasting firm headed by Otto Eckstein, who served as a member of President Lyndon Johnson's Council of Economic Advisers.

"Basically, what they (DRI) concluded was that we had excellent people doing the work, and that because they were people of sound judgment, their results were basically pretty good," McCausland says. "They were not terribly impressed with our methodology, but then they weren't really terribly impressed with anybody's ability to truly get

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a handle on the California economy, since it is so large, and yet it's also integrated into the U.S. economy."

The recovery factor

The commission issued its own initial forecast in June 1980. "And, essentially because we were making the estimates so late in the (fiscal) year, we were uncannily lucky in being accurate (for 1979-80)," says McCausland. That doesn't appear to be the case with the commission's June forecast for 1980-81. As of October, McCausland says, revenues were running 3 to 4 percent below what the commission had forecasted they would be at that time. The reason? Both McCausland and Sweezey had expected California's post-recession recovery to show up earlier than it did. The result? McCausland believes the state overestimated revenues — the flip side of the most notorious forecasting errors of the late 1970s.

McCausland, who is assistant state treasurer in addition to working with the commission, feels that forecasts are primarily management tools. "I've been dealing with forecasts for 25 years — generated by my staff and other people's staffs — so that I'm very comfortable with what forecasts do and don't do," he says.

What they don't do, forecasters agree — what they can't do, given the complexity and ever-changing nature of the economy — is foretell the future. What they can do is provide some insight to guide both business and government in making decisions about the future.

This more realistic appraisal of forecasts as a management tool rather than a crystal-ball view of the future may remove a false sense of security. Yet forecasts remain vitally important: A valid budget can't be prepared without making some assessment of prospective economic conditions.

Econometric models are especially useful for examining the potential effects of various policy decisions. For example, a model could be used to analyze the economic impact of a proposed change in tax laws or of a new program that is under consideration. It also could be used to prepare alternative forecasts, based on different sets of assumptions about federal and state government policies as well as international and national economic events. Many prominent forecasts do just that. The alternative scenarios offer valuable clues to what the future may hold in store, but none is intended to be an absolute prediction.

"We can't really reduce the uncertainty. All we can do is take our best estimate and try to convey that," says UCLA's Kimbell. "If the future's very uncertain, it's more important to convey that uncertainty and some sense of the midpoint than it is to disguise it and pretend we know what's going to happen."

The problem is how to communicate forecast information so that people are aware of its limitations. "Ideally," says Kimbell, "we'd spell out our assumptions, and people would take the time to read them and weigh whether they agreed with the assumptions. And (we'd) maybe help them with alternatives."

The embarrassing punch line

But when a forecast becomes embroiled in controversy because it appears to argue for or against some policy change, that ideal seems virtually unattainable. "We make specific assumptions," Kimbell says. "We can parade these in gory detail because (they're) in the model, and I suspect no one would read them because they want the punch line."

In May 1978, the punch line of UCLA's forecast on the effects of Proposition 13 was that the measure, if adopted, would cost California about 450,000 jobs. The forecast assumed that the state could afford only about $1.5 billion a year for continuing support of local government and schools to make up for Proposition 13-induced revenue losses. It was an assumption that seemed consistent with comments by Proposition 13 co-authors Howard Jarvis and Paul Gann, Kimbell says. But as it turns out, the state thus far has provided more than $4 billion a year in bailout money (drawing down the general-fund surplus in the process).

The media paid little attention to the assumptions going into UCLA's forecast; the headlines stressed the job-loss and unemployment rate projections. Although the UCLA forecast was way off the mark on the post-13 unemployment rate, Kimbell says the job-reduction forecast — at least for government employment — appears to be coming true, albeit much more slowly than UCLA economists had expected. Private-sector job growth was greater than what the basic Proposition 13 forecast had indicated but was very close to that projected by an alternative UCLA forecast.

UCLA may have been embarrassed by the highly publicized errors of its Proposition 13 forecast, but Kimbell has pointed out that the forecast was correct in other, less-publicized areas. In any case, lack of attention to the underlying assumptions may have led followers of the forecast to put too much faith in its conclusions.

Mistakes are part of a forecaster's life, although not all of them are as dramatic as UCLA's miscalculation concerning Proposition 13. Still, even a small margin of error, like 1 or 2 percent, can translate into a lot of dollars when one is dealing with huge sums — such as a $20 billion state budget.

Here are some of the many ways that a forecast can go wrong:

- The equation included in the model may fail to reflect the economic relationships in the real world.
- The economic relationships that existed in the past may be changing, making forecasts based on historical patterns unreliable.
- The data fed into the computer may be inaccurate or outdated. In some cases, important economic data may be unavailable.
- The economy may undergo some unexpected shock, like the Arab oil embargo of 1973.
- And always threatening to unravel it all is the unpredictability of human behavior.

Eating less beef

"Economic forecasting is not a simple job," says Sweezey, "and it seems to get more complicated each year. The more we know, the less we seem to know in some respects. And part of that, I think, is the fact that people have become much more sophisticated, and they're now able to adjust their habits to compensate for certain things that they didn't used to worry about." One example, Sweezey says, is that people have changed their food-buying patterns in response to rising beef prices. As a result, total spending on food has not gone up as much as one might have expected.

"The difficulty with all forecasting," says McCausland, "is that you have to assume what's going to happen to inflation. You have to assume what's going to happen to people's work habits in terms of two-worker families and in terms of people going to school and (entering) the work force. You have to assume what's going to happen in the Middle East. And after you've made a whole five-page list of your assumptions, then you can start estimating what's going to happen within the economy. And it's obvious that if any two, three, four or five of your assumptions are off in the same direction, your forecast is going to go off in that direction. The true serendipity of forecasting is when your assumption errors cancel one another out," he says.

Forecasts are an essential element in fiscal planning, but they are not a magic glimpse into a pre-determined future. Events rarely unfold precisely as assumed in a forecast. That's why, although they may come close, forecasts cannot provide absolute answers.

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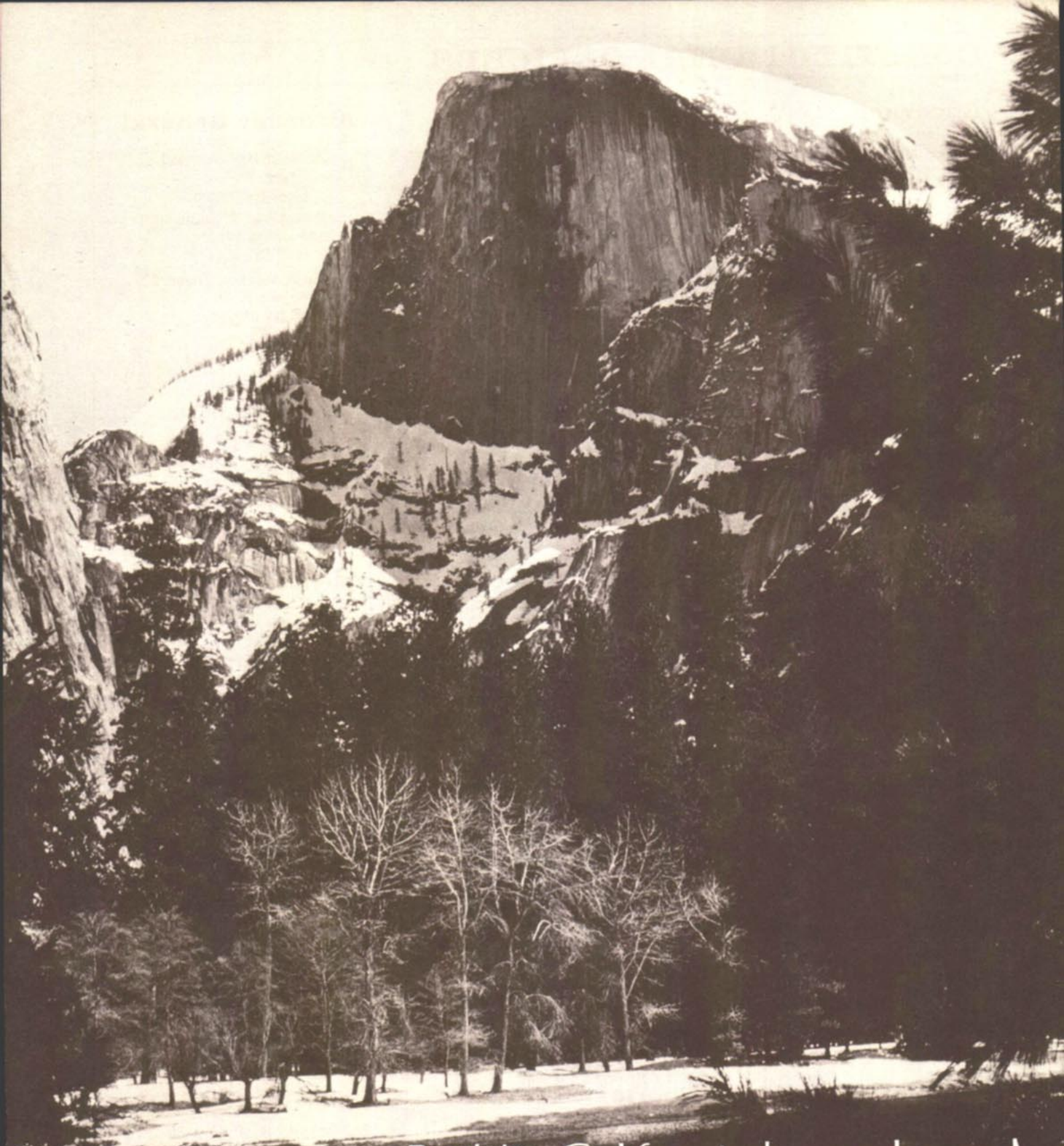

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Senators

Name	Party	California Offices*	Telephone
Alan Cranston	D	10960 Wilshire Blvd., Los Angeles 90024	(213) 824-7641
		1 Hallidie Plaza, San Francisco 94102	(415) 556-8440
		103 Post Office Building, San Diego 92101	(714) 293-6085
		3040 N. 7th St., Fresno 93703	(209) 226-7277
S. I. Hayakawa	R	1390 Market St., San Francisco 94102	(415) 556-8686
		1130 O St., Fresno 93721	(209) 487-5512
		523 W. 6th St., Los Angeles 90014	(213) 688-6081
		880 Front St., San Diego 92188	(714) 293-7100

Representatives

Name	Party	District	Counties	Main District Office**	Telephone
Anderson, Glenn M.	D	32	Los Angeles (San Pedro)	300 Long Beach Blvd., Long Beach 90801	(213) 548-2551
Badham, Robert	R	40	Orange (southern), San Diego (northern)	1649 Westcliff Dr., Newport Beach 92660	(714) 631-0040
Beilenson, Anthony	D	23	Los Angeles (Encino, Beverly Hills)	11000 Wilshire Blvd., Suite 14223, Los Angeles 90024	(213) 824-7801
Brown, George E. Jr.	D	36	San Bernardino, Riverside (urban)	657 N. La Cadena Dr., Colton 92324	(714) 825-2472
Burgener, Clair W.	R	43	San Diego (Del Mar, El Cajon), Imperial	880 Front St., Room 5S35, San Diego 92188	(714) 231-1912
Burton, John	D	5	Marin, parts of San Francisco, Sonoma	450 Golden Gate Ave., San Francisco 94102	(415) 556-1333
Burton, Phillip	D	6	Most of San Francisco	450 Golden Gate Ave., San Francisco 94102	(415) 556-4862
Chappie, Eugene	R	1	Shasta, Siskiyou, Tehama, Trinity, Modoc, Butte, Sierra, Lassen, Plumas, Nevada, Placer, Yuba, Glenn, part of Sacramento	270 E. 4th St., Chico 95926	(916) 893-8363
Clausen, Donald H.	R	2	Del Norte, Humboldt, Lake, Mendocino, Napa, part of Sonoma	777 Sonoma Ave., Santa Rosa 95404	(707) 525-4316
Coelho, Tony	D	15	Merced, Mariposa, Madera, part of Stanislaus and Fresno	415 W. 18th, Merced 95340	(209) 383-4455
Danielson, George E.	D	30	Los Angeles (Monterey Park, El Monte)	8873 E. Valley, Rosemead 91770	(213) 688-3454
Dannemeyer, William	R	39	Orange, (Anaheim, Fullerton)	1370 Brea Blvd., Fullerton 92635	(714) 992-0141
Dellums, Ronald V.	D	8	Alameda (northern), part of Contra Costa	201 13th St., Room 105, Oakland 94607	(415) 763-0370
Dixon, Julian	D	28	L.A. (Inglewood, Culver City)	101 N. La Brea, Suite 301, Inglewood 90301	(213) 678-5424
Dornan, Robert	R	27	L.A. (Coastal)	6151 W. Century Blvd., Suite 1018, Los Angeles 90045	(213) 642-5111
Dreier, David	R	35	L.A. (Covina, Pomona), west San Bernardino	917 Village Oaks Rd., Covina 91724	(213) 339-9078
Dymally, Mervyn	D	31	L.A. (Hawthorne, Compton)	15000 Aviation Blvd., Lawndale 90261	(213) 536-6680
Edwards, Don	D	10	Alameda (southern), Santa Clara (northern)	1625 The Alameda, San Jose 95126	(408) 292-0143
Fazio, Vic	D	4	Colusa, Sutter, Yolo, Solano, part of Sacramento	823 Main St., Room 8, Vallejo 94590	(707) 552-0720
Fiedler, Bobbi	R	21	L.A. (San Fernando Valley)	P.O. Box 7140, Van Nuys 91409	(213) 787-1776
Goldwater, Barry, Jr.	R	20	Ventura (eastern), L.A. (northwestern)	23241 Ventura Blvd., Woodland Hills 91364	(213) 883-1223
Grisham, Wayne	R	33	L.A. (Whittier, Downey)	13601 E. Whittier Blvd., Whittier 90605	(213) 945-3061
Hawkins, Augustus	D	29	L.A. (Watts)	936 W. Manchester Ave., Los Angeles 90044	(213) 750-0260
Hunter, Duncan	R	42	San Diego (southwest)	2530 Highland Ave., National City 92050	(714) 474-8554
Lagomarsino, Robert	R	19	Santa Barbara, parts of San Luis Obispo and Ventura	5740 Ralston St., Ventura 93003	(805) 642-2200
Lantos, Tom	D	11	Most of San Mateo	520 El Camino Real, San Mateo 94402	(415) 342-0300
Lewis, Jerry	R	37	San Bernardino and Riverside (rural)	101 S. 6th, Redlands 92373	(714) 792-5901
Lowery, Bill	R	41	San Diego (Mission Valley)	880 Front St., San Diego 92188	(714) 231-0957
Lungren, Dan	R	34	Los Angeles (eastern Long Beach), north coastal Orange	5514 Britton Dr., Long Beach 90815	(213) 594-9761
McCloskey, Paul, Jr.	R	12	Santa Clara (northwestern), some of San Mateo	305 Grant Ave., Palo Alto 94306	(415)326-7383
Matsui, Robert	D	3	Most of Sacramento	650 Capitol Mall, Sacramento 95814	(916) 440-3543
Miller, George	D	7	Most of Contra Costa	367 Civic Dr., Pleasant Hill 94523	(415) 687-3260
Mineta, Norman	D	13	Santa Clara (southern)	1245 S. Winchester Blvd., San Jose 95128	(408) 984-6045
Moorhead, Carlos J.	R	22	L.A. (Burbank, Glendale)	420 N. Brand Blvd., Room 404, Glendale 91203	(213) 247-8445
Panetta, Leon	D	16	Santa Cruz, Monterey, San Benito, part of San Luis Obispo	380 Alvarado, Monterey 93940	(408) 649-3555
Pashayan, Charles	R	17	Kings, most of Tulare, part of Fresno	4009 E. Ashland St., Fresno 93726 (P.O. Box 12011, Fresno 93776)	(209) 487-5487
Patterson, Jerry	D	38	Orange (Buena Park, Westminster, Santa Ana)	34 Civic Center Plaza, Suite 921, Santa Ana 92701	(714) 835-3811
Rousselot, John H.	R	26	L.A. (Alhambra, Glendora)	735 W. Duarte Rd., Arcadia 91006	(213) 447-8125
Roybal, Edward R.	D	25	L.A. (Downtown, East L.A.)	300 N. Los Angeles St., Los Angeles 90012	(213) 688-4870
Shumway, Norman	R	14	San Joaquin, El Dorado, Amador, Alpine, Calaveras, Mono, Tuolumne, parts of Sacramento and Stanislaus	1045 N. El Dorado St., Stockton 95202	(209) 464-7612
Stark, Fortney (Pete)	D	9	Alameda (central and eastern)	7 Eastmont Mall, Oakland 94605	(415) 635-1092
Thomas, William	R	18	Inyo, Kern, parts of Tulare and Los Angeles (desert)	1830 Truxtun Ave., Bakersfield 93301	(805) 327-3611
Waxman, Henry A.	D	24	Los Angeles (Hollywood)	8425 West 3rd, Los Angeles 90048	(213) 651-1040

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Alquist, Alfred E.	D	11	Alameda, San Benito, Santa Clara	777 N. 1st St. San Jose 95112	(408) 286-8318	445-9740
Ayala, Ruben S.	D	32	Los Angeles, San Bernardino	515 N. Arrowhead Ave. San Bernardino 92401	(714) 884-3165	445-6868
Beverly, Robert G.	R	27	Los Angeles	1611 S. Pacific Coast Highway Redondo Beach 90277	(213) 540-1611	445-6447
Boatwright, Dan	D	7	Contra Costa	1035 Detroit Ave. Concord 94518	(415) 689-1973	445-6083
Briggs, John V.	R	35	Orange	1441 N. Harbor Blvd., Fullerton 92635	(714) 879-2345	445-4264
Campbell, William	R	33	Los Angeles	7624 Painter Ave., Whittier 90602	(213) 693-8284	445-2848
Carpenter, Paul B.	D	37	Orange	5400 Orange, Cyprus 90630	(714) 547-9401	445-5581
Craven, William	R	38	Imperial, Riverside, San Diego	550 W. Vista Ave., Vista 92083	(714) 726-7676	445-3731
Davis, Ed	R	19	Los Angeles, Ventura	6700 Fallbrook Ave., Canoga Park 91307	(213) 999-0070	445-8873
Dills, Ralph C.	D	28	Los Angeles	16921 S. Western Ave., Gardena 90247	(213) 324-4969	445-5953
Doolittle, John	R	3	Sacramento	5777 Madison, Carmichael 95608	(916) 338-5930	445-5788
Ellis, Jim	R	39	San Diego	2755 Navajo Rd., El Cajon 92020	(714) 464-7204	445-3952
Foran, John F.	D	6	San Francisco, San Mateo	15 Southgate Ave., Daly City 94015	(415) 755-1766	445-0503
Garamendi, John	D	13	Alpine, Amador, Calaveras, El Dorado, Mono, Sacramento, San Joaquin, Stanislaus, Tuolumne	31 E. Channel St., Stockton 95202	(209) 948-7930	445-2407
Garcia, Alex P.	D	24	Los Angeles	205 S. Broadway Los Angeles 90012	(213) 628-5155	445-3456
Garcia, Marz	R	10	San Mateo, Santa Clara	734 Menlo Ave., Menlo Park 94025	(415) 324-8932	445-0870
Greene, Bill	D	29	Los Angeles	8514 S. Broadway, Los Angeles 90003	(213) 620-5600	445-2104
Holmdahl, John W.	D	8	Alameda	22300 Foothill Blvd., Hayward 94541	(415) 538-4844	445-6671
Johnson, Ray	R	1	Butte, Colusa, Glenn, Lassen, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Yuba	3609 Bechelli, Redding 96002	(916) 244-6006	445-6747
Keene, Barry	D	2	Del Norte, Humboldt, Lake, Marin, Mendocino, Sonoma	30 N. San Pedro Rd., San Rafael 94901	(415) 472-7540	445-3375
Maddy, Ken	R	14	Fresno, Madera, Mariposa, Merced, Stanislaus	1310 Security Bank Bldg., Fulton Mall, Fresno 93721	(209) 485-6260	445-9600
Marks, Milton	R	5	San Francisco	350 McAllister St., San Francisco 94102	(415) 557-1437	445-1412
Mello, Henry	D	17	Monterey, San Luis Obispo, Santa Barbara, Santa Cruz	1200 Aguajito Rd., Monterey 93940	(408) 373-0773	445-5843
Mills, James R.	D	40	San Diego	815 3rd Ave., Chula Vista 92011	(714) 427-7812	445-6767
Montoya, Joseph	D	26	Los Angeles	8951 Glendon Way, Rosemead 91770	(213) 571-2928	445-3386
Nielsen, Jim	R	4	Napa, Sacramento, Solano, Sonoma, Yolo	415 Main St., Woodland 95695	(916) 662-7315	445-3353
O'Keefe, Dan	R	12	Santa Clara	10020 N. De Anza Blvd., Cupertino 95014	(408) 257-5083	445-3104
Petris, Nicholas C.	D	9	Alameda, Contra Costa	1111 Jackson St., Oakland 94607	(415) 464-1333	445-6577
Presley, Robert B.	D	34	Riverside, San Bernardino	3610 Central Ave., Riverside 92506	(714) 781-4111	445-9781
Rains, Omer L.	D	18	Santa Barbara, Ventura	501 Poli St., Ventura 93001	(805) 654-4648	445-5405
Richardson, H.L.	R	25	Los Angeles	735 W. Duarte Rd., Arcadia 91006	(213) 445-4404	445-3688
Robbins, Alan	D	20	Los Angeles	6320 Van Nuys Blvd., Van Nuys 91401	(213) 988-5894	445-3121
Roberti, David A.	D	23	Los Angeles	6640 Sunset Blvd., Hollywood 90028	(213) 464-1178	445-8390
Russell, Newton R.	R	21	Los Angeles	401 N. Brand Blvd., Glendale 91203	(213) 247-7021	445-5976
Schmitz, John	R	36	Orange	4600 Campus Dr., Newport Beach 92660	(714) 979-9670	445-5831
Sieroty, Alan	D	22	Los Angeles	11340 W. Olympic Blvd., Los Angeles 90064	(213) 479-4244	445-7928
Speraw, Ollie	R	31	Los Angeles	1800 E. Wardlow Rd., Long Beach 90807	(213) 426-7021	445-4961
Stiern, Walter W.	D	16	Inyo, Kern, Los Angeles, San Bernardino	1326 H St., Bakersfield 93301	(805) 395-2797	445-6637
Vuich, Rose Ann	D	15	Fresno, Kern, Kings, Tulare	120 W. Tulare, Dinuba 93618	(209) 591-5005	445-4641
Watson, Diane E.	D	30	Los Angeles	4401 Crenshaw Blvd., Los Angeles 90043	(213) 295-6655	445-5215

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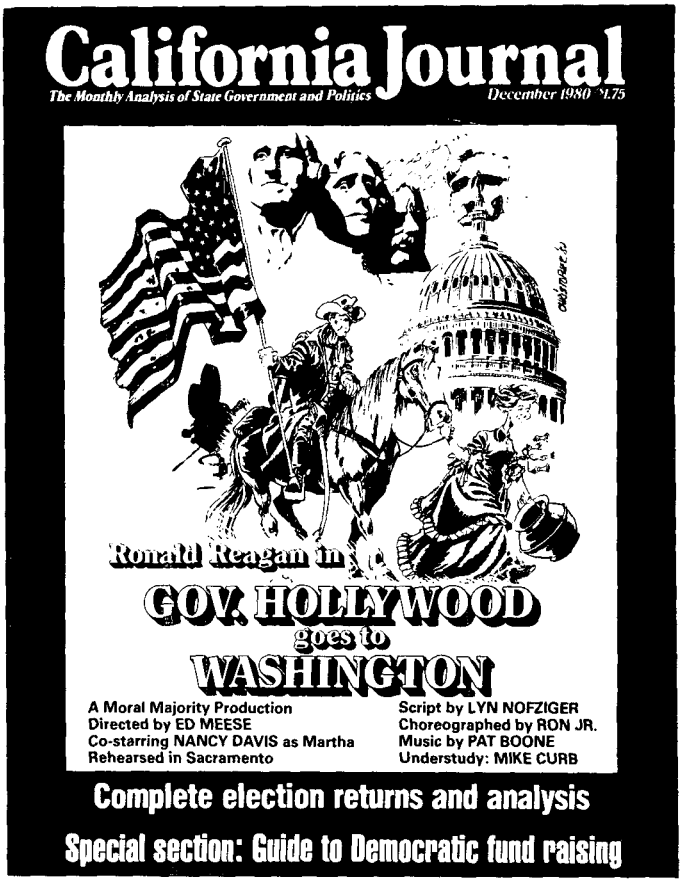

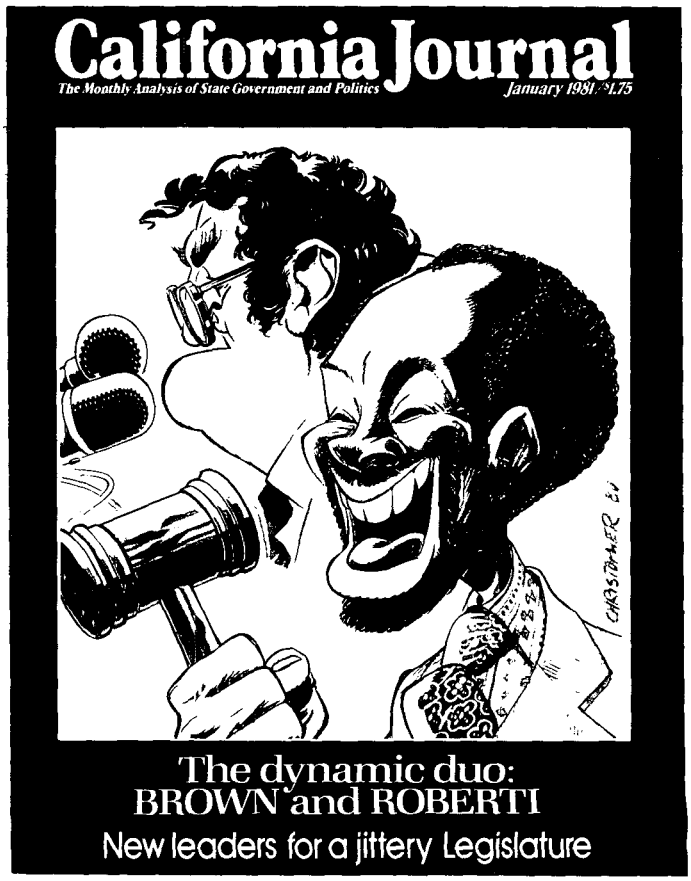
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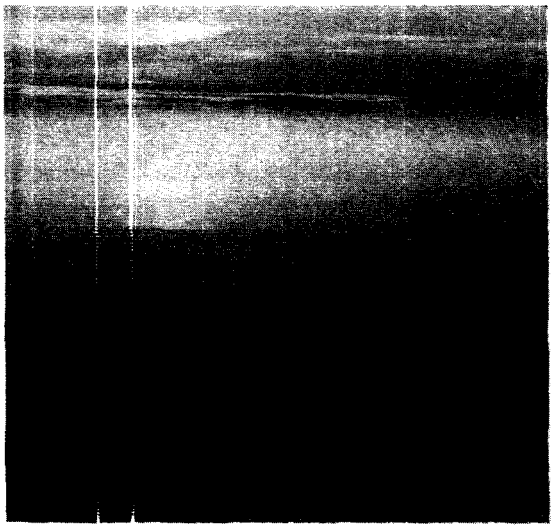

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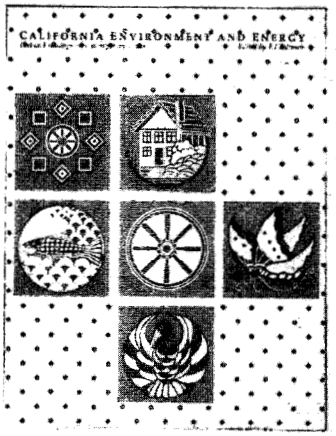
CALIFORNIA ENVIRONMENT AND ENERGY: TEXT AND READINGS ON CONTEMPORARY ISSUES, by Ed Salzman. About three-quarters of this book consists of reprints of articles which have appeared in **California Journal** on such issues as energy, water quality, land use, toxic chemicals, and air pollution. The other 25 percent is new text providing an overview of each issue, updating the articles and providing an up-to-date setting for the reader. 1980. 8½ x 11, 96 pages. $5.25 paperback.



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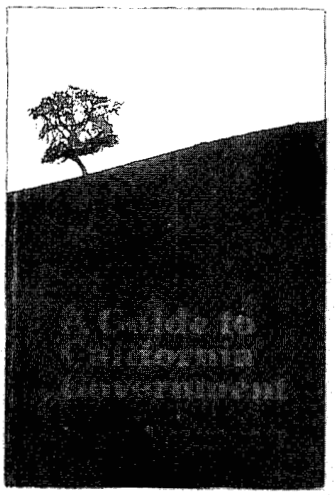
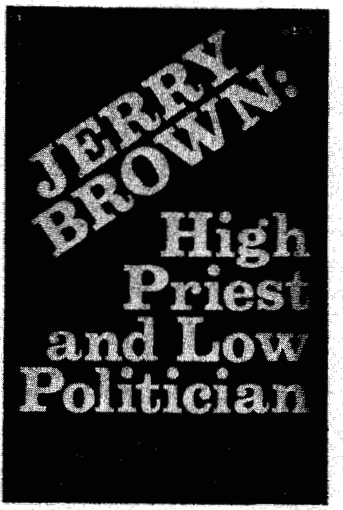
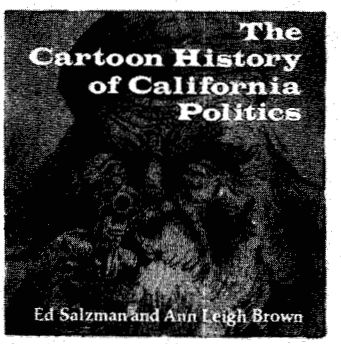




JERRY BROWN: HIGH PRIEST AND LOW POLITICIAN, Analyzes the phenomenal political ascent of Governor Brown, assesses his performance as the state's chief executive and speculates on where he goes from here. Contains some of the Governor's most quotable quotes, his first two state-of-the-state messages, a sampling of his pithy veto messages and photographs of the Governor in action. The author is the editor of the **California Journal,** and much of the material in the book first appeared in the magazine. The cartoons are by Paul Conrad of the **Los Angeles Times.** 1977. 5½ x 8½. 127 pages. $3.13 paper.



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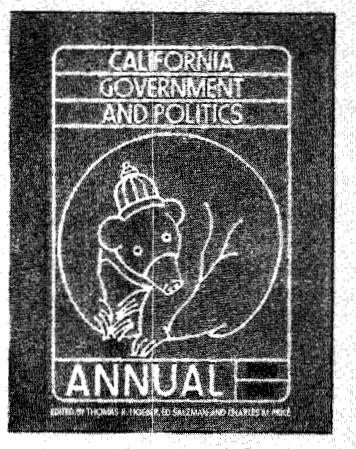

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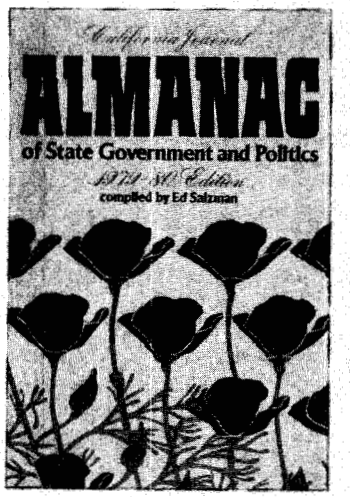

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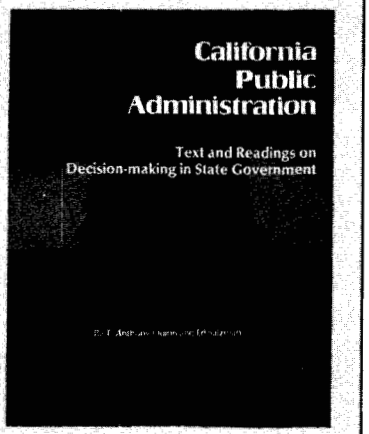

PUBLIC ADMINISTRATION IN CALIFORNIA, by T. A. Quinn and Ed Salzman. This book describes the inner workings of state government with special emphasis on administrative agencies. Sections include top executives, regulatory agencies, the Legislature, the judicial system, education and bureaucracy. 1978. 8½ x 11, 120 pages. $5.25 paper.

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Assembly

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Agnos, Art	D	16	San Francisco	350 McAllister St., San Francisco 94102	(415) 557-2253	445-8253
Alatorre, Richard	D	55	Los Angeles (East Los Angeles)	6801 N. Figueroa St. Los Angeles 90042	(213) 255-7111	445-7587
Baker, William	R	10	Contra Costa (eastern)	1000 Ignacio Valley Rd., Walnut Creek 94596	(415) 932-2537	445-8528
Bane, Tom	D	40	Los Angeles (N. Hollywood, Van Nuys, Reseda)	5430 Van Nuys Blvd. Van Nuys 91401	(213) 986-8090	445-3134
Bates, Tom	D	12	Alameda, Contra Costa	3923 Grand Ave., Oakland 94610	(415) 464-0786	445-7554
Bergeson, Marian	R	74	Orange (coastal)	833 Dover Dr., #7, Newport Beach 92663	(714) 631-3174	445-7222
Berman, Howard	D	43	Los Angeles (Beverly Hills, Westwood)	520 S. Sepulveda Blvd., Los Angeles 90049	(213) 476-7646	445-4956
Bosco, Douglas H.	D	2	Del Norte, Humboldt, Mendocino, Lake, Sonoma (northern)	411 J St., Suite 2, Eureka 95501	(707) 445-2055	445-8360
Brown, Dennis	R	58	Los Angeles (Long Beach)	2750 Bellflower Blvd., Long Beach 90815	(213) 420-2661	445-8492
Brown, Willie L., Jr.	D	17	San Francisco	540 Van Ness Ave., San Francisco 94102	(415) 557-0784	445-8077
Campbell, Robert	D	11	Contra Costa (western)	2901 Macdonald Ave., Richmond 94804	(415) 237-8171	445-7890
Chacon, Peter R.	D	79	San Diego (City of San Diego, Coronado)	5106 Federal Blvd., San Diego 92105	(714) 263-2148	445-7610
Cortese, Dominic	D	24	San Benito, Santa Clara (rural)	3535 Ross Ave., San Jose 95124	(408) 269-6500	445-8243
Costa, Jim	D	30	Madera, Mariposa, part of Fresno	1111 Fulton Mall, Fresno 93721	(209) 264-3078	445-7558
Cramer, Jim	D	65	Los Angeles (Pomona) and San Bernardino (Ontario)	320 West G St., Ontario 91762	(714) 983-6499	445-8490
Deddeh, Wadie P.	D	80	San Diego (National City, Chula Vista)	815 3rd Ave., Chula Vista 92011	(714) 427-7080	445-7556
Duffy, Gordon	R	32	Kings, most of Tulare, part of Kern	321 N. Douty, Hanford 93230	(209) 582-4431	445-2931
Elder, Dave	D	57	Los Angeles (Long Beach)	3651 Atlantic Ave., Long Beach 90807	(213) 427-8921	445-7454
Farr, Sam	D	28	Monterey, Santa Cruz	1200 Aguajito, Monterey 93940	(408) 646-1980	445-8496
Felando, Gerald	R	52	Los Angeles (San Pedro)	1514 Cabrillo Ave., Torrance 90501	(213) 320-6262	445-7906
Filante, William	R	9	Marin, part of Sonoma	30 N. San Pedro Rd., San Rafael 94903	(415) 479-4920	445-7827
Floyd, Richard E.	D	53	Los Angeles (Hawthorne, Gardena)	12101 Crenshaw, Hawthorne 90250	(213) 970-1918	445-0965
Frazee, Robert C.	R	76	San Diego (La Jolla, Del Mar)	2725 Jefferson St., Carlsbad 92008	(714) 434-1749	445-2390
Frizzelle, Nolan	R	73	Orange	18600 Main St., Huntington Beach 92648	(714) 842-7335	445-8377
Goggin, Terry	D	66	San Bernardino (urban)	290 North D St., San Bernardino 92401	(714) 884-1241	445-4843
Greene, Leroy F.	D	6	Sacramento	5925 Fair Oaks Blvd., Carmichael 95608	(916) 481-6540	445-7807
Hallett, Carol	R	29	Monterey, San Luis Obispo, Santa Barbara	1145 Marsh St., San Luis Obispo 93401	(805) 549-3381	445-7795
Hannigan, Tom	D	4	Yolo, parts of Solano and Sacramento	1000 Webster St., Fairfield 94533	(707) 429-2383	445-8368
Harris, Elihu	D	13	Alameda (northwestern)	1111 Jackson St., Oakland 94607	(415) 464-0339	445-7442
Hart, Gary	D	35	Most of Santa Barbara	1216 State St., Santa Barbara 93101	(805) 966-1766	445-8292
Herger, Wally	R	3	Colusa, Sutter, Yuba, Sierra, Nevada, Placer, half of Butte	1469 Butte House Rd., Yuba City 95991	(916) 673-2201	445-7298
Hughes, Teresa P.	D	47	Los Angeles (Huntington Park)	3253 S. Hoover Ave., Los Angeles 90017	(213) 747-7451	445-7498
Imbrecht, Charles	R	36	Ventura	801 S. Victoria Ave., Ventura 93003	(805) 654-4501	445-7402
Ingalls, Walter	D	68	Riverside (urban)	3610 Central Ave., Riverside 92506	(714) 781-3222	445-1720
Ivers, William H.	R	42	Los Angeles (Glendale, Pasadena)	106A S. Los Robles, Pasadena 91101	(213) 449-4747	445-8211
Johnson, Ross	R	69	Orange	1501 N. Harbor Blvd., Fullerton 92635	(714) 738-5853	445-7448
Johnston, Pat	D	26	Parts of San Joaquin and Stanislaus	31 E. Channel St. #306 Stockton 95202	(209) 948-7479	445-7931
Kapiloff, Lawrence	D	78	San Diego (Mission Hills, Linda Vista)	967 Hornblend, San Diego 92109	(714) 270-5500	445-7210
Katz, Richard	R	39	Los Angeles (eastern San Fernando Valley)	15226 Parthenia St., Sepulveda 91343	(213) 894-3671	445-1616
Kelley, David	R	75	Imperial, desert parts of Riverside, San Diego	74075 El Paseo, Palm Desert 92260	(714) 568-0361	445-7852
Konnyu, Ernest	R	22	Santa Clara (southern)	7337 Bollinger Rd., Cupertino 95014	(408) 446-4114	445-8305
Lafollette, Marian	R	38	Los Angeles (Malibu Coast), part of Ventura	23241 Ventura Blvd., Woodland Hills 91364	(213) 883-8400	445-8366

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Assembly (continued)

Name	Party	District	Counties	Main District Offices*	Telephone Numbers (District)	(Capitol)
Lancaster, Bill	R	62	Los Angeles (Covina, Claremont)	372 E. Rowland St., Covina 91723	(213) 332-6271	445-9234
Lehman, Richard	D	31	Fresno, Tulare	55 Shaw Ave., Clovis 93612	(209) 298-6571	445-8514
Leonard, William	R	67	San Bernardino, Riverside (rural)	405 E. Citrus Ave., Redlands 92373	(714) 862-5251	445-7552
Levine, Mel	D	44	Los Angeles (Beverly Hills)	9581 W. Pico Blvd., Los Angeles 90035	(213) 277-5228	445-1676
Lewis, John R.	R	70	Orange (city of Orange, Tustin)	920 Town and Country Rd., Orange 92668	(714) 542-4775	445-2778
Lockyer, Bill	D	14	Alameda (central)	2450 Washington Ave., San Leandro 94577	(415) 464-0847	445-8160
Marguth, Gilbert R., Jr.	R	15	Alameda (southern, eastern)	1785 Barcelona St., Livermore 94550	(415) 447-7370	445-7380
Martinez, Matthew G.	D	59	Los Angeles (Alhambra, Monterey Park)	1304 W. Beverly Blvd., Montebello 90640	(213) 721-2904	445-0854
McAlister, Alister	D	25	Santa Clara (northeastern, part of Alameda)	555 Valley Way, Milpitas 95035	(415) 791-2151	445-7874
McCarthy, Leo T.	D	18	San Francisco, part of San Mateo	350 McAllister St., San Francisco 94102	(415) 557-2662	445-8994
Moore, Gwen	D	49	Los Angeles (Culver City)	3731 Stocker St., Los Angeles 90008	(213) 292-0605	445-8800
Moorhead, Jean	R	5	Sacramento	6021 Madison Ave., Carmichael 95608	(916) 334-8228	445-4445
Mountjoy, Richard	R	61	Los Angeles (San Gabriel, Arcadia)	406 S. 1st St., Arcadia 91006	(213) 446-3134	445-7234
Naylor, Robert W.	R	20	San Mateo (southern)	621 Middlefield Rd., Redwood City 94063	(415) 365-1426	445-8188
Nolan, Patrick J.	R	41	Los Angeles (Burbank, Glendale)	143 S. Glendale Ave., Glendale 91205	(213)240-6330	445-8364
Papan, Louis J.	D	19	San Mateo (northern)	343 E. Serramonte Plaza, Daly City 94015	(415) 756-6400	445-8020
Robinson, Richard	D	72	Orange (Santa Ana, Garden Grove)	11400 Stanford Ave., Garden Grove 92640	(714) 530-7200	445-7333
Rogers, Don	R	33	Most of Kern	412 18th St., Bakersfield 93301	(805) 395-2927	445-8498
Roos, Michael	D	46	Los Angeles (Wilshire, Silver Lake)	600 S. New Hampshire, Los Angeles 90005	(213) 386-8042	445-7644
Rosenthal, Herschel	D	45	Los Angeles (Fairfax, Studio City)	8425 W. 3rd St., Los Angeles 90048	(213) 655-9750	445-7440
Ryan, Marilyn	R	51	Los Angeles (coastal)	1815 Via El Prado, Redondo Beach 90277	(213) 540-8182	445-2112
Sebastiani, Don	R	8	Napa, Solano, Sonoma	800 Broadway, Sonoma 95476	(707) 996-2792	445-8102
Sher, Byron	D	21	Santa Clara (northwestern)	1265 Montecito Ave., Mountain View 94301	(415) 961-6031	445-7632
Statham, Stan	R	1	Butte, Glenn, Lassen, Modoc, Plumas, Shasta, Siskiyou, Tehama, Trinity	1415 Court St., Redding 96001	(916) 244-6300	445-7266
Stirling, Dave	R	64	Los Angeles	13601 E. Whittier Blvd., Whittier 90605	(213) 945-1524	445-7550
Stirling, Larry	R	77	San Diego	7051 Alvarado Rd., La Mesa 92041	(714) 237-7970	445-6161
Tanner, Sally	D	60	Los Angeles (El Monte, La Puente)	11362 Valley Blvd., El Monte 91731	(213) 442-9100	445-7783
Thurman, John E.	D	27	Most of Stanislaus and Merced	930 15th St., Modesto 95354	(209) 521-1111	445-8570
Torres, Art	D	56	Los Angeles (downtown, City of Commerce)	5261 E. Beverly Blvd., Los Angeles 90022	(213) 728-8882	445-1670
Tucker, Curtis R.	D	50	Los Angeles (Inglewood, Westchester)	1 Manchester Blvd., Inglewood 90301	(213) 677-1188	445-7533
Vasconcellos, John	D	23	Santa Clara (urban)	2435 Forest Ave., San Jose 95128	(408) 241-6900	445-4253
Vicencia, Frank	D	54	Los Angeles (Compton)	8040 E. Alondra Blvd., Paramount 90723	(213) 531-0265	445-7486
Waters, Maxine	D	48	Los Angeles	7900 S. Central Ave., Los Angeles 90001	(213) 582-7371	445-2363
Waters, Norman	D	7	Alpine, Amador, Calaveras, El Dorado, Mono, San Joaquin, Tuolumne, Sacramento	218 W. Pine St., Lodi 95240	(209) 334-0568	445-8343
Wray, Chester B.	D	71	Orange	12777 Valley View, Garden Grove 92645	(714) 898-7844	445-6233
Wright, Cathie	R	37	Los Angeles (San Fernando Valley), part of Ventura	20961 Devonshire St., Chatsworth 91311	(213) 709-1273	445-7676
Wyman, Phil	R	34	Inyo, parts of Kern, Los Angeles, San Bernardino	813 West Avenue J, Lancaster 93534	(805) 948-8447	445-3266
Young, Bruce E.	D	63	Los Angeles	12440 E. Firestone Blvd., Norwalk 90650	(213) 868-0561	445-6047

*During legislative session, mail for Assembly members may be addressed to the State Capitol, Sacramento, 95814.

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Legislative leadership

Assembly

Speaker: Willie L. Brown Jr. (D)
Speaker pro Tempore: Leo T. McCarthy (D)
Majority Floor leader: Mike Roos (D)
Minority Floor leader: Carol Hallett (R)
Democratic Caucus Chairman: Doug Bosco
Republican Caucus Chairman: Charles Imbrecht

Senate

President: Lieutenant Governor Mike Curb (R)
President pro Tempore: David Roberti (D)
Majority Floor Leader: John Garamendi (D)
Minority Floor Leader: William Campbell
Democratic Caucus Chairman: Paul Carpenter
Republican Caucus Chairman: Ken Maddy

SENATE STANDING COMMITTEES

Rules (3D, 2R):
Chairman Roberti (D); Vice Chairman Johnson (R); Craven (R); Keene (D); Petris (D).
Executive officer, Jerry Zanelli, 445-4311.

Agriculture and Water Resources (6D, 5R):
Chairman Ayala (D); Vice Chairman Nielsen (R); Craven (R); A. Garcia (D); Johnson (R); Maddy (R); Mello (D); O'Keefe (R); Presley (D); Stiern (D); Vuich (D).
Consultant, Stephen Macola, 445-2206.

Banking and Commerce (6D, 5R):
Chairwoman Vuich (D); Vice Chairman Ellis (R); Beverly (R); Carpenter (D); Briggs (R); Foran (D); Keene (D); Rains (D); Robbins (D); Russell (R); Schmitz (R).
Consultant, Terry J. Miller, 445-6306.

Business and Professions (5D, 4R):
Chairman A. Garcia (D); Vice Chairman Mello (D); Craven (R); Ellis (R); Marks (R); Montoya (D); Richardson (R); Robbins (D); Watson (D).
Consultant, Michael J. Wadlé, 445-3435.

Constitutional Amendments (3D, 2R):
Chairman Schmitz (R); Vice Chairman Stiern (D); Davis (R); Rains (D); Watson (D).
Consultant, Steve Buswell, 445-2802.

Education (6D, 5R):
Chairman Sieroty (D); Vice Chairman O'Keefe (R); Carpenter (D); Davis (R); Dills (D); Doolittle (R); Garamendi (D); Nielsen (R); Speraw (R); Stiern (D); Watson (D).
Consultant, James Browne, 445-2522.

Elections and Reapportionment (8D, 5R):
Chairman Boatwright (D); Vice Chairman Craven (R); Campbell (R); Ellis (R); Garamendi (D); Greene (D); Keene (D); Maddy (R); Montoya (D); Mills (D); Rains (D); Roberti (D); Schmitz (R).
Consultant, Roy Gregory deGiere, 445-2601.

Energy and Public Utilities (5D, 4R):
Chairman Montoya (D); Vice Chairman M. Garcia (R); Alquist (D); Dills (D); Foran (D); Mills (D); O'Keefe (R); Richardson (R); Russell (R).
Consultant, Tim Davis, 445-9765.

Finance (10D, 5R):
Chairman Alquist (D); Vice Chairman Briggs (R); Boatwright (D); Campbell (R); Dills (D); Garamendi (D); M. Garcia (R); Greene (D); Holmdahl (D); Maddy (R); Nielsen (R); Petris (D); Presley (D); Sieroty (D); Stiern (D).
Consultant, Jack Watson, 445-5202.

Governmental Organization (6D, 5R):
Chairman Dills (D); Vice Chairman Campbell (R); Alquist (D); Beverly (R); Briggs (R); Carpenter (D); Ellis (R); M. Garcia (R); Greene (D); Foran (D); Keene (D).
Consultant, Lindsay W. Miller, 445-1193.

Health and Welfare (5D, 4R):
Chairwoman Watson (D); Vice Chairman Maddy (R); Campbell (R); Carpenter (D); Garamendi (D); A. Garcia (D); Marks (R); Mello (D); O'Keefe (R).
Consultant, Jim Lott, 445-5965.

Senate committee schedule

Monday	Room	
Finance	4203	2:00 p.m.
Insurance and Indemnity*	5007	2:00 p.m.
Public Employment and Retirement*	2040	2:00 p.m.
Business and Professions**	3191	2:00 p.m.
Tuesday		
Governmental Organization	5007	9:30 a.m.
Agriculture and Water Resources*	3191	9:30 a.m.
Constitutional Amendments*	2040	9:30 a.m.
Natural Resources and Wildlife**	3191	9:30 a.m.
Judiciary	4203	1:30 p.m.
Transportation*	2040	1:30 p.m.
Energy and Public Utilities**	2040	1:30 p.m.
Wednesday		
Education	4203	9:30 a.m.
Local Government	5007	9:30 a.m.
Elections and Reapportionment*	3191	9:30 a.m.
Industrial Relations**	2040	9:30 a.m.
Health and Welfare	4203	1:30 p.m.
Rules	5007	1:30 p.m.
Revenue and Taxation*	2040	1:30 p.m.
Banking and Commerce**	3191	1:30 p.m.

Committees meet every week unless indicated otherwise.
*Meets 1st and 3rd weeks of month.
**Meets 2nd and 4th weeks of month.

Industrial Relations (4D, 3R):
Chairman Greene (D); Vice Chairman Schmitz (R); Boatwright (D); A. Garcia (D); Johnson (R); Montoya (D); Russell (R).
Consultant, Casey Young, 445-1237.

Insurance and Indemnity (3D, 2R)
Chairman Robbins (D); Vice Chairman Keene (D); Davis (R); O'Keefe (R); Roberti (D).

Judiciary (5D, 4R):
Chairman Rains (D); Vice Chairman Davis (R); Beverly (R); Doolittle (R); Marks (R); Petris (D); Presley (D); Roberti (D); Sieroty (D).
Consultant, Richard Thomson, 445-5957.

Local Government (4D, 3R):
Chairman Marks (R); Vice Chairman Doolittle (R); Ayala (D); Craven (R); Mello (D); Robbins (D); Vuich (D).
Consultant, J. Fred Silva, 445-9748.

Natural Resources and Wildlife (6D, 5R)
Chairman Presley (D); Vice Chairman Richardson (R); Boatwright (D); Doolittle (R); Garamendi (D); Johnson (R); Marks (R); Mello (D); Nielsen (R); Sieroty (D); Watson (D).
Consultant, Jeffrey D. Arthur, 445-5441.

Public Employment and Retirement (3D, 2R):
Chairman Russell (R); Vice Chairman Carpenter (D); Foran (D); Mills (D); Speraw (R).
Consultant, Robert Bissonnette, 445-8958.

Revenue and Taxation (5D, 4R):
Chairman Beverly (R); Vice Chairman Speraw (R); Ayala (D); Boatwright (D); M. Garcia (R); Holmdahl (D); Montoya (D); Richardson (R); Sieroty (D).
Consultant, Vance Hansen, 445-3808.

Transportation (5D, 4R):
Chairman Foran (D); Vice Chairman Johnson (R); Ayala (D); Briggs (R); Ellis (R); Holmdahl (D); Mills (D); Speraw (R); Vuich (D).
Consultant, M. Mehdi Morshed, 445-3182.

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Assembly standing committees

Aging (6D, 4R):
Chairman Felando (R); Vice Chairman Chacon (D); Agnos (D); Bates (D); Filante (R); LaFollette (R); Lewis (R); Johnston (D); Thurman (D); N. Waters (D).
Consultant, Tom Porter, 445-7272.

Agriculture (7D, 4R):
Chairman Thurman (D); Vice Chairman Herger (R); Campbell (D); Costa (D); Cramer (D); Duffy (R); Hallett (R); Johnston (D); Kelley (R); Martinez (D); N. Waters (D).
Consultants, Mike Falasco, Marsha Johnson, 445-1918.

Business and Professions (5D, 3R):
Chairman Filante (R); Vice Chairman Bane (D); Berman (D); Farr (D); Greene (D); Hughes (D); D. Stirling (R); L. Stirling (R).
Consultant, John Valencia, 445-7827.

Constitutional Amendments (4D, 3R):
Chairman D. Brown (R); Vice Chairman Farr (D); Hart (D); Robinson (D); D. Stirling (R); Vasconcellos (D); Wyman (R).
Consultant, Ted Blanchard, 323-6122.

Consumer Protection and Toxic Materials (5D, 3R):
Chairwoman Tanner (D); Vice Chairman Sebastiani (R); Chacon (D); Elder (D); Katz (D); Konnyu (R); Sher (D); Wright (R).
Consultants, Martha Valdes, Kathi Hamilton, 445-0991.

Assembly committee schedule

Monday	Room	
Criminal justice	4202	1:30 p.m.
Elections and reapportionment	2117	1:30 p.m.
Health	2133	1:30 p.m.
Rules	6028	3:00 p.m.
Public Utilities and Commerce*	2170	4:00 p.m.
Aging**	6031	4:00 p.m.
Tuesday		
Education	4202	9:00 a.m.
Transportation	2170	9:00 a.m.
Local government*	2133	9:00 a.m.
Human services**	2133	9:00 a.m.
Finance and insurance	4202	1:30 p.m.
Natural resources	2133	1:30 p.m.
Governmental organization*	2170	1:30 p.m.
Constitutional amendments*	6031	1:30 p.m.
Consumer protection and toxic materials**	6031	1:30 p.m.
Economic development and planning*	6028	4:00 p.m.
Labor and employment**	2117	4:00 p.m.
Business and professions**	6028	4:00 p.m.
Wednesday		
Ways and means	4202	8:00 a.m.
Water, parks and wildlife*	2117	9:00 a.m.
Housing and community development**	2117	9:00 a.m.
Judiciary	2117	1:30 p.m.
Agriculture*	2133	1:30 p.m.
Public employees and retirement**	2133	1:30 p.m.
Rules	6028	3:00 p.m.
Revenue and taxation	2170	4:00 p.m.

Committees meet every week except as noted.
*Meets first and third weeks of month.
**Meets second and fourth weeks of month.

Criminal Justice (9D, 5R):
Chairman Goggin (D); Vice Chairwoman Wright (R); Baker (R); Bates (D); Cramer (D); Floyd (D); Harris (D); Herger (R); LaFollette (R); Levine (D); McAlister (D); Martinez (D); Moore (D); Sebastiani (R).
Consultant, Michael Ullman, 445-3268.

Economic Development and Planning (5D, 3R):
Chairman Rogers (R); Vice Chairman Katz (D); Cortese (D); Ingalls (D); Lehman (D); Statham (R); Torres (D); Wright (R).

Education (8D, 5R):
Chairman Greene (D); Vice Chairwoman Bergeson (R); Campbell (D); Farr (D); Hart (D); Hughes (D); Johnston (D); Leonard (R); Marguth (R); Naylor (R); Sebastiani (R); Tanner (D); Vasconcellos (D).
Consultant, Paul Holmes, 445-7807.

Elections and Reapportionment (9D, 6R):
Chairman Alatorre (D); Vice Chairman Naylor (R); Agnos (D); Berman (D); Brown (R); Campbell (D); Goggin (D); Hallett (R); Johnson (R); Lehman (D); Levine (D); Mountjoy (R); Roos (D); Statham (R); M. Waters (D).
Consultant, Jim Tucker, 445-7587.

Finance and Insurance (12D, 7R):
Chairman McAlister (D); Vice Chairman Johnson (R); Bane (D); Bosco (D); Deddeh (D); Greene (D); Imbrecht (R); Ivers (R); LaFollette (R); Lancaster (R); Lewis (R); McCarthy (D); Nolan (R); Papan (D); Robinson (D); Torres (D); Tucker (D); Vicencia (D); Young (D).
Consultant, Carl Brakensiek, 445-9160.

Governmental Organization (9D, 5R):
Chairman Vicencia (D); Vice Chairman Statham (R); Bane (D); Brown (R); Cortese (D); Costa (D); Deddeh (D); Felando (R); Frizzelle (R); Mountjoy (R); Roos (D); Rosenthal (D); Tanner (D); Wray (D).
Consultant, Parke Terry, 445-7486.

Health (8D, 5R):
Chairman Torres (D); Vice Chairman Ivers (R); Bates (D); Elder (D); Felando (R); Filante (R); Hughes (D); Johnston (D); Moorhead (R); Nolan (R); Rosenthal (D); Tucker (D); Young (D).
Consultant, Paul Press, 445-1770.

Housing and Community Development (6D, 3R):
Chairman Costa (D); Vice Chairman Filante (R); Bates (D); Hughes (D); Katz (D); Konnyu (R); Roos (D); Ryan (R); Young (D).
Consultant, Renée Franken, 445-7558.

Human Services (5D, 3R):
Chairman Lockyer (D); Vice Chairman Konnyu (R); Costa (D); Hannigan (D); Martinez (D); Moore (D); Ryan (R); D. Stirling (R).
Consultant, Greg Schmidt, 445-0664.

Judiciary (8D, 5R):
Chairman Harris (D); Vice Chairman Imbrecht (R); Berman (D); Hart (D); Ingalls (D); Johnson (R); Leonard (R); McAlister (D); Moorhead (R); Robinson (D); D. Stirling (R); Torres (D); M. Waters (D).
Consultant, Rubin Lopez, 445-1220.

Labor and Employment (7D, 4R):
Chairman Wray (D); Vice Chairman Frizzelle (R); Alatorre (D); Bergeson (R); Floyd (D); Harris (D); Kelley (R); McAlister (D); Rosenthal (D); Ryan (R); Tanner (D).
Consultant, Steve Holloway, 445-2657.

Local Government (5D, 3R):
Chairman Frazee (R); Vice Chairman Cortese (D); Cramer (D); Herger (R); Martinez (D); Thurman (D); Tucker (D); Wright (R).
Consultant, Julie Nauman, 445-6034.

Natural Resources (8D, 5R):
Chairman Hannigan (D); Vice Chairman Baker (R); Bates (D); Bosco (D); Farr (D); Frazee (R); Goggin (D); Herger (R); Kapiloff (D); Levine (D); Marguth (R); Rogers (R); Sher (D).
Consultant, Tom Willoughby, 445-9367.

Public Utilities and Commerce (7D, 5R):
Chairman Duffy (R); Vice Chairman Sher (D); Alatorre (D); Bane (D); Bosco (D); Frazee (R); Leonard (R); Levine (D); Moorhead (R); Roos (D); Ryan (R); Vicencia (D).
Consultant, Richard K. Mason, 445-2931.

Public Employees and Retirement (5D, 3R):
Chairman Tucker (D); Vice Chairman L. Stirling (R); Bergeson (R); Chacon (D); Elder (D); Lewis (R); Lockyer (D); Moore (D).
Consultant, Dave Cox, 322-4320.

Revenue and Taxation (9D, 6R):
Chairman Deddeh (D); Vice Chairman Lewis (R); Brown (R); Cortese (D); Elder (D); Floyd (D); Hannigan (D); Kapiloff (D); Kelley (R); Konnyu (R); Lockyer (D); Moore (D); Naylor (R); Sher (D); L. Stirling (R).
Consultant, Dave Doerr, 322-3730.

Rules (5D, 4R):
Chairman Papan (D); Vice Chairman Lancaster (R); Agnos (D); Kapiloff (D); Mountjoy (R); Nolan (R); Rosenthal (D); Statham (R); M. Waters (D).
Chief administrative officer, Richard Ross, 445-2131.

Transportation (8D, 5R):
Chairman Young (D); Vice Chairwoman LaFollette (R); Deddeh (D); Frizzelle (R); Harris (D); Ingalls (D); Lancaster (R); McCarthy (D); Mountjoy (R); Papan (D); Vicencia (D); Wray (D); Wyman (R).
Consultant, Carl Schiermeyer, 445-7278.

Water, Parks and Wildlife (6D, 3R):
Chairman N. Waters (D); Vice Chairman David Kelley (R); Campbell (D); Cramer (D); Floyd (D); Katz (D); Lehman (D); Rogers (R); L. Stirling (R).
Consultant, Clyde Macdonald, 445-6164.

Ways and Means (14D, 9R):
Chairman Vasconcellos (D); Vice Chairman Imbrecht (R); Agnos (D); Baker (R); Berman (D); Bosco (D); Chacon (D); Duffy (R); Frizzelle (R); Goggin (D); Hart (D); Ivers (R); Johnson (R); Kapiloff (D); Lehman (D); Leonard (R); Levine (D); Lockyer (D); McCarthy (D); Marguth (R); Robinson (D); M. Waters (D); Wyman (R).
Consultant, Krist Lane 445-7082.

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KEEPING TRACK OF LEGISLATION

Keeping track of the thousands of bills that are introduced in the Senate and Assembly every year is a difficult job, even for well-staffed professional lobbies. To do so, they rely heavily on six official legislative guides that are published daily during the session: the Assembly and Senate *Daily Files, Journals,* and *Histories.* Single copies of these publications are available free (as are single copies of bills) from the Legislative Bill Room. Also available there, at nominal cost, is a useful and concise reference, *California's Legislature,* by James D. Driscoll, Chief Clerk of the Assembly, from which the following descriptions of the legislative publications are drawn:

Daily Files. The *Daily File* for each house is an agenda of the day's business. It lists all measures to be taken up on the floor in the order in which they are to be dealt with, and it also lists all committee hearings and the bills scheduled for hearing before each committee. Under the provisions of the Assembly rules, notice of bills set for hearing by any committee or subcommittee must be published in the *Daily File* for three consecutive days prior to the hearing, unless there is a special waiver. The Senate rules now also require the calendar for regular committee meetings to be printed in the *Daily File* and at least two days in advance of the meeting. In addition, the *Daily File* provides an up-to-date list of the membership of all standing committees of each house.

The Daily Journals. The *Daily Journal* of each house contains a "true and correct" account of that chamber's proceedings of the preceding day. This includes the titles of all measures introduced, considered or acted upon by each house, the texts of amendments to these measures and of house resolutions, roll calls, messages from the governor and the other house, committee reports, motions, and acknowledgement of any communications. Senate committee votes are recorded and published in the Senate *Journal,* but the Assembly reports its committee votes in a separate appendix to the Assembly *Journal*.

The History. Each chamber's *History* shows the action taken on all measures on the file for action that day (except for measures passed on file) and all committee actions on bills. A *Weekly History,* published at the end of the week, summarizes the daily accounts and contains the titles of all measures introduced up to the end of that week, and the committees to which they were assigned, along with any action taken on them and the date on which it was taken. The *Weekly History* also carries the names of each house's membership, committee assignments and the schedule of meetings.

Legislative Index. At intervals during the session, a *Legislative Index* is published, listing by subject all bills introduced in the Legislature. It also contains a table showing which sections of the Constitution and statutes are affected by the measures introduced.

Other publications

Once the Legislature adjourns, the *Daily Journals* are corrected, reprinted, and deposited with the secretary of state as a permanent record of each day's proceedings. Each house also publishes a *Final History,* summarizing all legislation introduced and acted upon during the session. This history is indexed and shows which sections of law are affected by the legislation enacted, and whether the changes involved deletions, additions, removals, or renumbering.

Other key legislative bodies

Joint Legislative Audit Committee
Thomas Hayes, Auditor General, 925 L St., Suite 750, Sacramento 95814; (916) 445-0255.

Legislative Analyst
William G. Hamm, 925 L St., Suite 650, Sacramento 95814; (916) 445-4656.

Legislative Counsel
Bion Gregory, 3021 State Capitol; (916) 445-2781; 107 S. Broadway, Los Angeles 90012; (213) 620-2550.

USEFUL CAPITOL NUMBERS (Area Code 916)

Information	322-9900
Secretary of Senate	445-4251
Chief Clerk of Assembly	445-3614
Bill Room	445-2323
Senate Research	445-1727
Assembly Research	445-1638
Archives	445-4293
Auditor General	445-0255
Legislative Analyst	445-4656
Legislative Counsel	445-2781
State Police	445-1150

Types of Legislation

- **Bills** propose changes in or additions to state law. Depending upon the house of origin, they are referred to as Assembly Bills or Senate Bills, followed by a number (for example, AB 13, SB 152).
- **Constitutional Amendments,** also called "bills," actually are resolutions proposing constitutional changes to the electorate. They require a two-thirds majority in each house to qualify for the ballot. They are referred to as SCAs or ACAs.
- **Concurrent Resolutions** are used to adopt joint rules, create joint legislative committees, express legislative intent, and commend individuals for public service. They are referred to as ACRs or SCRs.
- **Joint Resolutions** express legislative opinion on matters pertaining to the federal government, and usually urge passage or defeat of legislation pending before Congress. They are referred to as SJRs or AJRs.
- **House and Senate Resolutions** express the sentiment of one house of the Legislature. They usually ask a committee to study a specific problem, create interim committees, or amend house rules. Their texts are published in the house *Journal*, and they take effect on their adoption.

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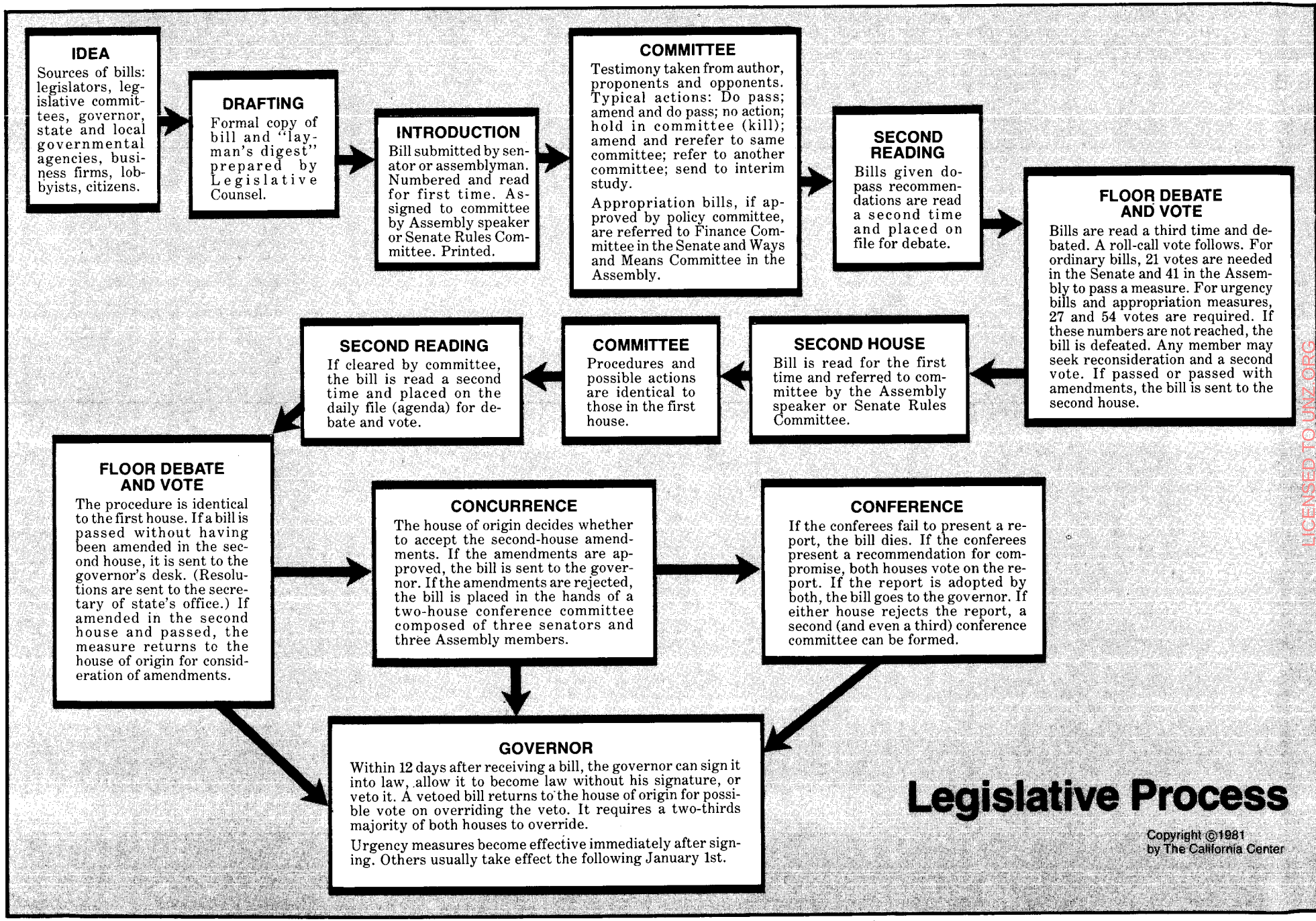
IDEA
Sources of bills: legislators, legislative committees, governor, state and local governmental agencies, business firms, lobbyists, citizens.
DRAFTING
Formal copy of bill and "layman's digest" prepared by Legislative Counsel.
INTRODUCTION
Bill submitted by senator or assemblyman. Numbered and read for first time. Assigned to committee by Assembly speaker or Senate Rules Committee. Printed.
COMMITTEE
Testimony taken from author, proponents and opponents. Typical actions: Do pass; amend and do pass; no action; hold in committee (kill); amend and rerefer to same committee; refer to another committee; send to interim study.
Appropriation bills, if approved by policy committee, are referred to Finance Committee in the Senate and Ways and Means Committee in the Assembly.
SECOND READING
Bills given do-pass recommendations are read a second time and placed on file for debate.
FLOOR DEBATE AND VOTE
Bills are read a third time and debated. A roll-call vote follows. For ordinary bills, 21 votes are needed in the Senate and 41 in the Assembly to pass a measure. For urgency bills and appropriation measures, 27 and 54 votes are required. If these numbers are not reached, the bill is defeated. Any member may seek reconsideration and a second vote. If passed or passed with amendments, the bill is sent to the second house.
SECOND HOUSE
Bill is read for the first time and referred to committee by the Assembly speaker or Senate Rules Committee.
COMMITTEE
Procedures and possible actions are identical to those in the first house.
SECOND READING
If cleared by committee, the bill is read a second time and placed on the daily file (agenda) for debate and vote.
FLOOR DEBATE AND VOTE
The procedure is identical to the first house. If a bill is passed without having been amended in the second house, it is sent to the governor's desk. (Resolutions are sent to the secretary of state's office.) If amended in the second house and passed, the measure returns to the house of origin for consideration of amendments.
CONCURRENCE
The house of origin decides whether to accept the second-house amendments. If the amendments are approved, the bill is sent to the governor. If the amendments are rejected, the bill is placed in the hands of a two-house conference committee composed of three senators and three Assembly members.
CONFERENCE
If the conferees fail to present a report, the bill dies. If the conferees present a recommendation for compromise, both houses vote on the report. If the report is adopted by both, the bill goes to the governor. If either house rejects the report, a second (and even a third) conference committee can be formed.
GOVERNOR
Within 12 days after receiving a bill, the governor can sign it into law, allow it to become law without his signature, or veto it. A vetoed bill returns to the house of origin for possible vote on overriding the veto. It requires a two-thirds majority of both houses to override.
Urgency measures become effective immediately after signing. Others usually take effect the following January 1st.
Legislative Process
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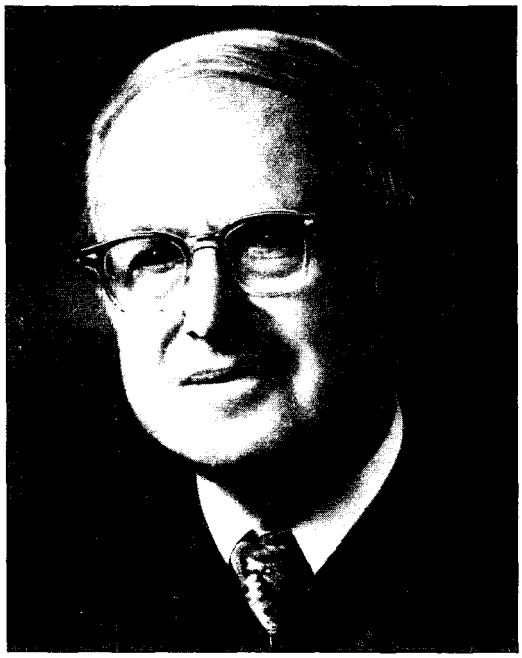
The Bird court: How liberal is it?



Mathew O. Tobriner

By KENNETH KAHN

A criminal case pivoting on the legality of police search methods has been appealed to the state Supreme Court. Question: Based on previous cases, how are the seven justices apt to rule? Answer: Probably for the defendant, with the key vote cast by Justice Mathew Tobriner.

The Supreme Court is deciding a claim by a citizen who is trying to collect damages from a city which the individual alleges was negligent. Question: Is the court apt to rule for the citizen or the government? Answer: The odds are heavily in favor of the citizen.

The court is attempting to decide a civil conflict between an employer and an employee involving unsafe working conditions. Question: Will the court back management or labor? Answer: The worker will probably win.

These conclusions about probable actions by the state Supreme Court are drawn from an analysis of the decisions handed down by the Bird Supreme Court. The analysis covers cases decided since 1977, when Governor Jerry Brown made three appointments to the court — Chief Justice Rose Elizabeth Bird and Justices Wiley Manuel and Frank C. Newman. The statistics are based only on cases in which at least two justices dissented from the majority opinion. And the numbers produced some interesting findings:

- **Chief Justice Bird** is not the most "liberal" member of the court. Her old law professor, Newman, votes more consistently for defendants, workers, consumers and plaintiffs in negligence cases than the chief justice.
- **Two of the** so-called "liberal" justices, the veterans Mathew Tobriner and Stanley Mosk, cannot be counted as sure liberal votes on some types of issues.
- **If either Mosk** or Tobriner defects to the conservative side, chances are the liberals will be outvoted on any specific case.
- **Tobriner can** be considered the swing vote on the bench; statistics indicate he is rarely on the losing side.
- **Manuel, who died last month,** was a former executive in the attorney general's office before his first appointment to the Alameda County Superior Court by Brown. He had a percentage record almost identical to Mosk's in votes on negligence cases, but they nearly always took opposite positions. This means that one of them usually formed a majority with Bird, Tobriner and Newman.

The Newman difference

Newman, who voted the liberal line in more than 90 percent of cases in all categories (see chart), was second to Tobriner in the percentage of time with the majority. One reason is that Newman joined the bench in January of 1978, and his percentage figures are distorted somewhat by the fact that he did not participate in as many cases as the others.

Newman's arrival on the court made a significant difference in the outcome of cases. In the months prior to his arrival, the Bird court handed down conservative decisions in non-unanimous cases about half the time. With Newman, liberal judgments have been rendered 77 percent of the time. Bird and Newman usually vote together to form a liberal anchor, with Frank Richardson and William P. Clark Jr. doing precisely the same thing at the other end of the judicial spectrum.

Stanley Mosk, a former attorney general appointed by former Governor Edmund G. Brown Sr., votes with the majority three-quarters of the time. He is considered one of the more creative justices in the country, and he pioneered the concept of "independent state grounds," allowing the court to ignore United States Supreme Court decisions and

Kenneth Kahn prepared this article as a Coro fellow on assignment to the Journal.

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go its own way. (Mosk claims the federal and state constitutions serve different purposes, and therefore similar issues can be decided different ways by the federal and state judiciaries.) Mosk's voting record can vary dramatically, depending upon the issue. Only Newman votes with consumers more often than Mosk. But in other civil cases involving business, he is just as apt to vote for a corporation as an individual.

The swing votes

It is thus impossible to develop a single liberal or conservative profile for the entire court. It is true that Newman and Bird were liberal on all issues and that Clark and Richardson were just as conservative. But the swing voters — Manuel, Mosk and Tobriner — were not nearly as consistent. Look at how the court reacted in six different situations:

- Criminal cases involving constitutional questions, such as search and seizure or the death penalty. Bird, Newman and Mosk could be counted to vote for the defendant almost all of the time. Tobriner joined them three-quarters of the time, building a four-vote majority. When Tobriner went over to the prosecution, he usually formed a conservative bloc with Clark, Richardson and Manuel.
- Criminal cases involving miscellaneous issues, such as evidence questions, the rights of the mentally and sexually disturbed, trial by jury and prisoner rights. Bird and Newman voted consistently for the defendant. The key votes were cast by Mosk and Tobriner, who voted for the defendant 75 percent of the time. Yet, they often disagreed. And when one of them voted with Clark and Richardson, Manuel usually provided the fourth vote for a majority.
- Civil cases involving injury or liability. The court as a whole ruled in favor of the plaintiff in 14 out of 15 cases. The reason is that Newman, Bird and Tobriner took the liberal line almost all the time. They were invariably joined by either Mosk or Manuel, with Richardson bolting from Clark on occasion.
- Civil cases with constitutional issues such as freedom of religion, freedom of the press, privacy or equal protection under the law. Clark and Richardson posted 100 percent conservative ratings in these cases, and they were joined by Manuel most of the time. In essence, the court swung with Mosk, who joined the liberal group of Newman, Bird and Tobriner two-thirds of the time.
- Consumer-versus-business cases. Tobriner was the key in these cases. He voted with the majority in all but one case, and the court went with business on the three occasions that Tobriner did. Clark and Richardson voted against consumers in every instance. These cases involved such subjects as price fixing, usury and consumer fraud.
- Labor-versus-management cases. Labor has three stalwarts on the court in Bird, Newman and Tobriner. The other justices, especially Mosk, join them often enough to give workers a victory in more than four-fifths of the cases. The issues involve workers' compensation, bargaining rights, and due process for dismissed employees.

Overall, if someone is trying to predict the outcome of a case during oral argument before the court, the key words are: Watch Tobriner.

Statistical profile of state Supreme Court

The following chart shows how the seven members of the state Supreme Court have ruled on seven different types of cases. The percentages are based on 105 cases in which at least two justices dissented from the majority decision. The statistics cover a period of about two and a half years, ending in early November 1980. The numbers show how often each justice sided with defendants or prosecutors in criminal cases or took the pro-labor, pro-business or pro-consumer side in civil cases.

Type of case	Percentage of vote							
	Bird	Newman	Tobriner	Mosk	Manuel	Richardson	Clark	Court
Criminal with constitutional issues (20)								
Pro-defendant	90	100	75	90	28	5	0	70
Pro-prosecutor	10	0	25	10	72	95	100	30
Criminal with procedural or other issues (28)								
Pro-defendant	88	92	75	75	42	11	7	61
Pro-prosecutor	12	8	25	25	58	89	93	39
Civil with constitutional issues (16)								
Liberal	95	96	84	66	30	11	3	62
Conservative	5	4	16	34	70	89	97	38
Civil with labor issues (11)								
Pro-worker	100	100	100	58	27	17	8	83
Pro-management	0	0	0	42	73	83	92	17
Civil with consumer issues (15)								
Pro-consumer	93	100	71	93	21	0	0	67
Pro-business	7	0	29	7	79	100	100	33
Civil with negligence issues (15)								
Pro-damages	87	93	100	53	54	27	7	93
Anti-damages	13	7	0	47	46	73	93	7

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Profiles in complacency: the Rodda, Van Deerlin defeats

By OTTO KREISHER

In the spring they sailed out like a pair of Titanics, apparently destined for a comfortable voyage through the stormy political waters that might threaten less formidable politicians. But on November 4th, state Senator Albert Rodda and Congressman Lionel Van Deerlin smashed unsuspectingly into a pair of Republican icebergs in the forms of John Doolittle and Duncan Hunter. The two veteran Democratic officeholders were plunged into the frigid depths of political defeat.

The victory of Doolittle over Rodda in the Sacramento-area Third Senate District and of Hunter over Van Deerlin in the 42nd Congressional District in southern San Diego County were the state's political upsets of the year. They sent additional shock waves through a Democratic party already shaken by Ronald Reagan's landslide win over President Jimmy Carter and the ouster of a half-dozen prominent liberals from the U.S. Senate.

The similarities in these two surprising elections were numerous, but there also were some significant differences in the two campaigns. Both the common factors and the distinctions could help shape future campaigns in the state.

The most obvious commonality in the two races was the sense of invincibility that surrounded both Rodda and Van Deerlin when they announced for re-election in the spring. The San Diego and Sacramento news media and the *California Journal* assumed, and said so in print, that the two men would win re-election easily.

The reasons for such predictions were obvious. Both men were well-entrenched veterans: Rodda, 68, was the Senate dean after 22 years in office, and Van Deerlin, 66, was one of the ranking members of the California delegation after 18 years in the House. Both were running in what were considered safe Democratic districts with about 2-1 party registration advantages over their GOP challengers. And both had been winning re-election with little or no opposition as long as most people could remember. Rodda, in fact, had not had a major opponent since 1968 and Van Deerlin usually coasted to landslide victories over sacrificial lambs put forward by the Republican Party just to avoid having an open spot on the ticket.

The serenity that enveloped their campaigns had to be enhanced by the nature of their opposition this year. In both cases the veterans faced young, unknown attorneys with no visible political bases. Doolittle, 30, was even an underdog in the GOP primary in which a controversial but relatively well-known former school board member, Merrilyn Carson, had been expected to win the four-way race. Hunter, 32 (like Doolittle), had never run for public office, and he started from the unimpressive base of a four-year-old law practice in the heart of working-class and largely minority-populated Logan Heights.

Early assumptions

The early assumption of invincibility was fatal for both Rodda and Van Deerlin. Neither veteran suspected he was in trouble until it was too late to change course.

Van Deerlin, a former newspaper and television reporter and commentator, accepts the blame for his own defeat. "I won too easily, too often," he says. "Complacency set in. We know how to run a campaign, if we had thought it was necessary." But Van Deerlin's local district staff has to share a major part of the reasonsibility for his defeat. It should have been its duty to keep him apprised of the political climate in his district, 3,000 miles from Washington where the congressman was focusing his energy on getting his long-sought communications reform act passed.

Rodda, the only state senator who worked in the district he represents, did not have the excuse of remoteness. Yet he appears to have been equally out of touch with a major portion of his district, even though it was less than 30 miles from his Capitol office. The former college teacher did not maintain a district office, and apparently he was not adequately sensitive to the fact that the northern part of his district was growing rapidly and moving politically to the right.

Doolittle knew it, however. "People around the Capitol are blinded by the fact that he (Rodda) has been around so

Otto Kreisher is the Sacramento correspondent of the San Diego Union.

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long and he holds a powerful position as chairman of the Senate Finance Committee," Doolittle said before the election. "But he's never run in a contested re-election in Citrus Heights (added to Rodda's district in the 1973 reapportionment), and there are 85,000 people out there. People are moving into the district all the time. They've simply never heard of the guy."

Both incumbents deny that they had lost touch with the major concerns of their districts. But their challengers claimed they had, and proceeded to exploit those claims in the campaigns. Otherwise, the challengers' uphill fights were sharply different in origins, resources and tone.

Richardson's man

Much of the financial support and political expertise behind Doolittle's candidacy came from his former place of employment: the powerful, ultra-conservative political organizations headed by Republican state Senator H. L. (Bill) Richardson of Arcadia. Doolittle went to work for Richardson shortly after graduation from McGeorge Law School in 1968, first as a legislative aide and later as executive director of Richardson's Law and Order Campaign Committee, based in Sacramento.

A one-time Mormon missionary in Argentina, the stiffly formal and staunchly conservative Doolittle was a natural member of Richardson's expanding political team. His campaign stressed the kind of issues that Richardson has parlayed into a multi-million-dollar political operation that is exerting influence across the nation.

While Rodda assumed his constituents appreciated his influence and expertise in state spending issues, Doolittle hammered at the theme that "government causes inflation." State government had failed to heed the message of Proposition 13, Doolittle said — and Rodda had opposed 13. "How many times do we have to say 'slow down'?" asked one of Doolittle's campaign mailers.

Rodda took pride in his role in the area of state public education, but Doolittle stressed the soaring costs and declining achievement scores in the schools and asked, "Are we getting our money's worth?" In keeping with the main themes of Richardson's organizations, Doolittle's campaign emphasized the growing problem of crime and claimed that Rodda had a fuzzy image on that issue. Doolittle attacked Rodda for failing to take a leadership role in the fight against crime and promised to push tough law-and-order legislation. He emphasized his support for the death penalty — and Rodda's opposition to it — and condemned Chief Justice Rose Bird and the "anti-law-and-order" decisions of the California Supreme Court under her control. Of course Doolittle also stressed his opposition to gun control.

The Doolittle message was carried to the voters in a professional campaign that drew on the political expertise and funds from Richardson's organizations, as well as the Sacramento-based political consulting team of Sal Russo and Doug Watts. His most effective weapon was a stream of slick political mailers sent into targeted precincts selected for these factors: high crime rates; heavy votes for Proposition 13, Lieutenant Governor Mike Curb and Attorney General George Deukmejian; strong support for the effort to recall Bird. With more than $64,000 coming from Richardson's Law and Order and Gun Owners of California committees, Doolittle's campaign had ample funds to get its message across. He also may have benefited from some voters' confusion over the name similarity between Rodda and state Senator Alan Robbins who was indicted on sex charges just before the election. Staff members in the office of the grandfatherly Rodda were dismayed to receive several irate phone calls from constituents who thought Rodda was Robbins — further evidence that they didn't know their senior senator.

But Doolittle's biggest asset probably was Rodda's failure to take the campaign seriously until it was too late. Although some of his fellow Democratic senators say they tried to warn him early in the year, Rodda assumed that he still was safe in his once-friendly district. "I have to say, candidly, that the political situation is not as favorable to a Democratic incumbent as it has been in the past, but I don't think the people of this community are willing to support someone who has to be considered ultra-conservative," Rodda said in a pre-election interview in *The Sacramento Bee*.

When Rodda finally tried to protect himself, the damage had been done. He ended the campaign with more than $15,000 unspent and an 8,049-vote deficit for his 22 years of service to his district and thé state. The quiet, self-effacing Rodda was personally hurt by his defeat and accused Doolittle of running "a dirty campaign." He feels that the campaign was typical of a new style of politics in which candidates "appeal to people's fears and apprehensions and use these negative feelings to defeat an incumbent by misrepresenting his record."

PAUL DUGINSKI

Family and clients

It was a far different campaign between Hunter and Van Deerlin in San Diego County, although the circumstances and results were similar. While Doolittle's campaign was conceived, researched and executed in a textbook model of computer-age politics, Hunter's was an example of the grassroots, people-based operations that some observers thought were obsolete.

Hunter had served as an airborne and infantry officer in Vietnam and was practicing law in a largely Hispanic neighborhood. He seemed a most unlikely Republican candidate running in a most unlikely district, and he achieved unexpected results.

Hunter says the idea for his candidacy came out of his storefront law office in San Diego's "Barrio Logan." He made up his mind to run while working at night and went home to tell his wife. Then, Hunter says, "I took my client list out of the Rolodex and started calling."

For most of the primary and general-election campaign,

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Hunter's support consisted mainly of his family, some of his clients and other people he contacted in the blue-collar neighborhoods in Logan Heights, National City, Chula Vista and the rest of the district in the southwestern corner of the state. It was strictly an amateur operation; the largest amount of political experience was represented by his father, Robert, who had run unsuccessfully as a GOP candidate for Congress and the Assembly. Hunter's two brothers and his sister took time away from their jobs and college studies to help.

Most of his early support outside the family came from Democrats, not Republicans. "It was tough trying to convince the Republicans I could beat Lionel Van Deerlin, but a lot of the Democrats I talked to believed me," Hunter recalls. Not all of the Democratic voters believed him either. Hunter remembers one man on whose door he knocked: When Hunter explained that he was running against the veteran Van Deerlin, the man said, "Come in; you need a drink."

But Hunter persisted and proved that he could do what the GOP professionals told him could not be done. "Too many Republicans don't realize that you can win in these areas if you get out and talk to the people," he says. "This was the year it could be done. People everywhere were ready for a change."

Hunter's campaign appeal was based heavily on conversations with his legal clients and with voters he met in their homes and at shopping centers. "You could tell by talking to the people that the feeling was that he (Van Deerlin) had grown distant from his district," Hunter explains. When he finally got around to buying a professional poll late in August, it confirmed those feelings.

Most of Hunter's campaign money came from his family; the GOP establishment did not consider his campaign a good investment until the final weeks. He put $115,000 of his own money into the campaign, much of it before the GOP Congressional Campaign Committee gave him $40,000 and helped produce a mailer sent in October.

"I told them back in March that I could win, that Van Deerlin was out of step with his district and was taking his re-election for granted," Hunter says. "When they finally came in, we were already ahead."

Hunter emphasized two issues, jobs and national defense, which are closely related in a district that includes the San Diego Naval Station, North Island Naval Air Station and two major defense contractors. "We are the most defense-oriented district in the state," Hunter says, but Van Deerlin "votes against most defense issues. Every time Van Deerlin voted against the defense budget, he voted against jobs in this district."

Hunter hammered on that idea in face-to-face campaigning and in some of his television commercials, made with the volunteer help of a technician from a San Diego TV station. The only professional help Hunter received, in fact, was the late mailer from the national Republican organization and two polls. It was that brochure plus polls showing the race almost even that finally stirred Van Deerlin out of his complacency. Then the mailer hit at Van Deerlin's major legislative goal, a bill to deregulate the communications industry. While the bill generally was considered pro-consumer, part of it had been condemned by California Public Utilities Commission Chairman John Bryson, who said it could result in a five-fold increase in individual telephone bills. The mailer quoted Bryson and prompted a last-minute TV commercial by Van Deerlin defending himself and his bill. It was the first use of television by Van Deerlin since 1968, even though TV is relatively cheap and effective in his district. But it was too little too late to reverse the tide

Afterward, Van Deerlin and Hunter had nothing but kind words for each other. Hunter said his victory "didn't reflect a rejection of Lionel Van Deerlin as a person . . . as much as it was a vote for a change in the philosophical direction in this country." Van Deerlin complained gently about the "misrepresentation" of his communications act reform bill, but otherwise he praised Hunter for "a tireless and absolutely superb campaign. While I have never been arrogant in winning, I hope I will be entirely gracious in losing," the defeated congressman said. "You know, if you have relied on the people's judgment for 18 years, and benefited by it, it's hard the morning after the people have turned to someone else to say their judgment has gone awry."

Lessons to learn

Although the two campaigns had about as many differences as they had similarities, there are some lessons both parties might learn from them:

- **Several Democrats** have said recently that the two upsets prove that there is no such thing as a "safe district."
- **Hunter and others** say that his victory in the 42nd District also proves that Republicans can appeal to working-class voters if they stress the right issues. That also applies to Doolittle's victory over Rodda, where the main concerns were government spending and crime, rather than national defense and jobs.
- **Some Senate** Democrats also believe that Doolittle's victory, with the skillful computerized assistance from Richardson, shows that they will have to use similar techniques if they are to survive in 1982, when most of the Senate seats up are held by Democrats.
- **On the other hand,** Hunter's win demonstrates that old-fashioned grassroots campaigns can still work in the age of computers and mass media — a healthy sign for the democratic process.

Newsmakers

Vacancy on the high court

Associate Justice **Wiley W. Manuel** of the state Supreme Court died of cancer January 5th. The first black ever apppointed to the high court, Manuel earned a reputation as a moderate in his four years as a jurist. His successor will be nominated by Governor Brown, subject to confirmation by the Commission on Judicial Appointments . . . Republicans walked out in protest after majority Democrats seated **Patrick Johnston** to replace **Adrian Fondse** as the Lower House representative from the Stockton area. Johnston had defeated Fondse by 35 votes in a recount.

Former Assembly majority leader **Jack Fenton** of Montebello was named chairman of the Workers' Compensation Appeals Board by Governor Brown. Former Assemblyman **Floyd Mori** of Pleasanton was appointed director of the Office of International Trade by Brown. Fenton was defeated in the June primary, Mori in the November general election . . . The Federal Elections Commission reported that Congressman **Robert Dornan** of Santa Monica spent almost $1.8 million winning re-election last year — the most ever spent in a race for the House of Representatives.

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STRICTLY OPINION *With this column, the **Journal** provides a forum for those wishing to express opinions on California political issues.*

Repairing California schools: two views

By STEPHEN D. SUGARMAN

Last year John Coons and I helped prepare and promote a constitutional initiative that would have put California elementary and secondary education onto the voucher plan. The basic idea is as simple as the GI Bill. Those families not satisfied with the public schools their children are offered could claim a scholarship from the state to be used to pay for schooling of their choice. The scholarships could be used at qualifying private schools or at a special class of public schools. Public voucher schools, which the plan establishes, would either be newly created or split off from existing school districts. They would have to survive financially on scholarship revenues, and they would be regulated only to the extent private schools are today.

Although the signature drive failed, the sponsoring organization, Education by Choice, expects to be able to put the initiative on the June 1982 ballot. In the first effort there was no voter reluctance to sign the petitions; rather there were too few signature gatherers in the streets. This can be corrected next time, for there is a broad base of support in California for family choice in education.

It has been charged, however, that poor inner-city families are, or should be, against such a plan. To the contrary; we think they have the most to benefit from it. Middle-class families already get the best from formal education in America: They have "escaped" to private schools and suburban schools in high-cost areas, or else — in the cities and older suburbs — they have contrived to get into the best schools, the classrooms with the best teachers and so on. By contrast, masses of poor inner-city school children are very poorly served by public education. I need not detail the sorry state of both pupil achievement and integration in public schools today. It is now widely recognized that all too many 17-year-olds are effectively illiterate, and that fewer and fewer non-minority children are attending big-city public schools. In short, it is because things are relatively so bad for big-city poor and minority children that I feel the urgency of adopting a voucher plan here in California.

Central-city children will benefit from family choice in these ways:

- **Idealists, community workers** and the like who care about dropouts, pushouts, etc., will form new small schools in the city that will attract many of these children back into education. Probably many programs will be tied in with work experience, bringing in children off the streets.
- **Black ministers,** whose congregations now don't have enough money to start schools, will be able to do so. This will provide traditional schooling for many families.
- **Entrepreneurs will offer** vocational training linked to job opportunities in the local community. Many youngsters will find this an improvement over the public schools' record at vocational/career education.
- **Young people** — especially minorities — who want to be teachers but can't get jobs in public schools (or have been laid off) will form small teacher-cooperative schools; they will attract many families.
- **Suburban public** and private schools will be opened up to city children in large numbers. Among other

By ANN M. LEAVENWORTH

Many critics of California's public education system view it as an old school building ready for the wrecking ball of the demolition crew. And with this picture few citizens are ready to protest. The old building is on the outskirts of town, removed from the center of our society.

What has caused this isolation of our schools? Why has public education, the essential foundation of our three-century experiment in self-government, lost our solid support? Population statistics tell one part of the story: Only one in four adults today has a school-age child, so 75 percent of the voters have no personal commitment to or involvement with public education. In many neighborhoods, administrators — fearful of possible expense, vandalism or legal liability — have literally locked out the public with padlocks on the gates and barbed wire on the fences. Public apathy and even hostility result from the threatening demands of special-interest groups and the decline of student test scores. Finally, Proposition 13 took away from local citizens their last share of fiscal control.

These and other causes have isolated our schools. Repair then must start with moving our schools to the center of town, to the mainstream of our society. Isolation will end when the doors are open 16 hours a day and 12 months a year. And this must happen whether the school is located in a small town or the neighborhood of a great metropolitan center. Such schools exist today, tested since the 1930s by the Community School movement — a process which strengthens both education and communities through the cooperative use of neighborhood schools.

The term "process" must be emphasized. This utopia does not create a new educational empire. It is rather an open-door policy by which neighborhoods create a center at their school to fit their particular needs. Such is the process in Atlantic City, New Jersey, where a community school has transformed a desperate slum into a vital neighborhood. The school is alive from early morning to late evening with a full schedule of services needed in the area. A totally different community school in San Jose, California, combines a top academic high school with the library, performing arts center, playing fields, observatory and ponding basin built with other governmental agencies for joint use. The goal of the school as neighborhood center, then, is the reestablishment of our schools evolving responsively to each community's needs.

Furthermore, this wider function provides a mechanism for resolving some of public education's most pressing problems such as the declines in enrollment, in fiscal resources and in curriculum standards. Faced with declining enrollment, many local boards have closed some schools but only after bitter and destructive battles. This abandoning of schools has occurred at a time when most neighborhoods

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things, this means that for the first time racial integration can extend beyond the limits of court-ordered busing by opening public schools outside the district and private schools wherever they are located.

• **Successful public schools** in the cities will break off from the bureaucracy and become public voucher schools — governed at the school level, living off vouchers, and operating with the healthy freedom of private schools.

• **Finally,** and perhaps most importantly, individual families and central-city community leaders for the first time will be able to pose a credible threat to local public schools: "Do better by our children or else we will pull out." This pressure, plus the competition generated by the new system, will force public schools to improve. Teachers want to keep their jobs and, for the first time, they will have to become more productive and responsive to do so. Thus, for those who say that reformers should concentrate their efforts on improving the public schools, it is important to understand that choice advocates are offering the best vehicle to do just that. What, by contrast, are public school officials proposing? After two years of furious debate over vouchers, their sole suggestion remains a larger budget.

Of course under a voucher plan some parents will make mistakes in choice of schools, and I concede that some parents don't care much about their children. These parents, by the way, live both in and out of big cities and are by no means concentrated among the poor. Society usually deals with the non-caring through neglect-and-abuse laws; the majority who do care will at last have a chance to learn from their mistakes. Those who fret that families won't wisely exercise choice seem to view non-rich families as incompetent, needing strangers in the bureaucracy to decide what is best for their children. I deplore this pessimism about the capacity of ordinary parents — especially the working class and poor — to choose for their own flesh and blood.

Vouchers are frequently greeted by public school officials with the forecast that their schools will become awful places populated almost exclusively by children of the uneducated poor. I have always thought it sad to see the status quo defended by the prediction that most families would desert public schools at the first opportunity. Ironically, I have more confidence in the potential excellence of these institutions. Most Americans prefer public education. The proper response to the public educator's lament is an optimistic one: Some families will desert, and rightly so; for those who remain in public schools, education will improve.

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need facilities for senior citizens, for pre-school children, for job training for young people, and for public recreation. Many schools could be fully utilized if these groups needing conveniently located space were added to the small student population. Excess space can provide an interesting opportunity for a district to make creative use of the public's investment in buildings and real estate.

But how can schools finance such an "opportunity" when they are forced each year to operate with a shrinking budget? The school as a neighborhood center can generate both volunteers and new funds to aid the educational budget. By contributing their funds, such programs as health services, legal aid and day care augment the revenues of the schools. Many schools in California, aware of this additional financial support, have opened their doors to both public and private groups.

Finally, the community school is one vehicle to lift the curriculum standards of our schools. It is a natural extension of our California School Improvement Program by which a school community of teachers, administrators, parents and students receive funds to plan the improvement of their local school program. Community schools have added business and civic groups to this process. The variety of activities and programs taking place enrich and improve the standards and test scores of the school. Look for examples at such schools as Bancroft in San Diego County and Green Acres in Santa Cruz County, where striking educational improvement resulted from community involvement.

The school as neighborhood center cannot solve all of our educational problems. But problems that seem insurmountable at the state level can often be resolved in the smaller, human setting of the neighborhood school. The adversary role at the state level of special-interest advocates, teacher organizations and professional educators dissolve when a neighborhood gathers together to rebuild pride in their school.

To nurture and develop neighborhood center schools calls for commitment by local citizens, school boards, teachers and administrators. The State Board of Education and the Department of Education strongly support the process as part of the School Improvement Program. But, appropriately, it is only at the local level that the doors can be opened.

In particular neighborhoods the initiative might come from the school board, the principal, a few citizens, a civic organization or . . . However it begins, let us, on the fences and in our heads, unlock the gates.

Ann M. Leavenworth is a member of the state Board of Education.

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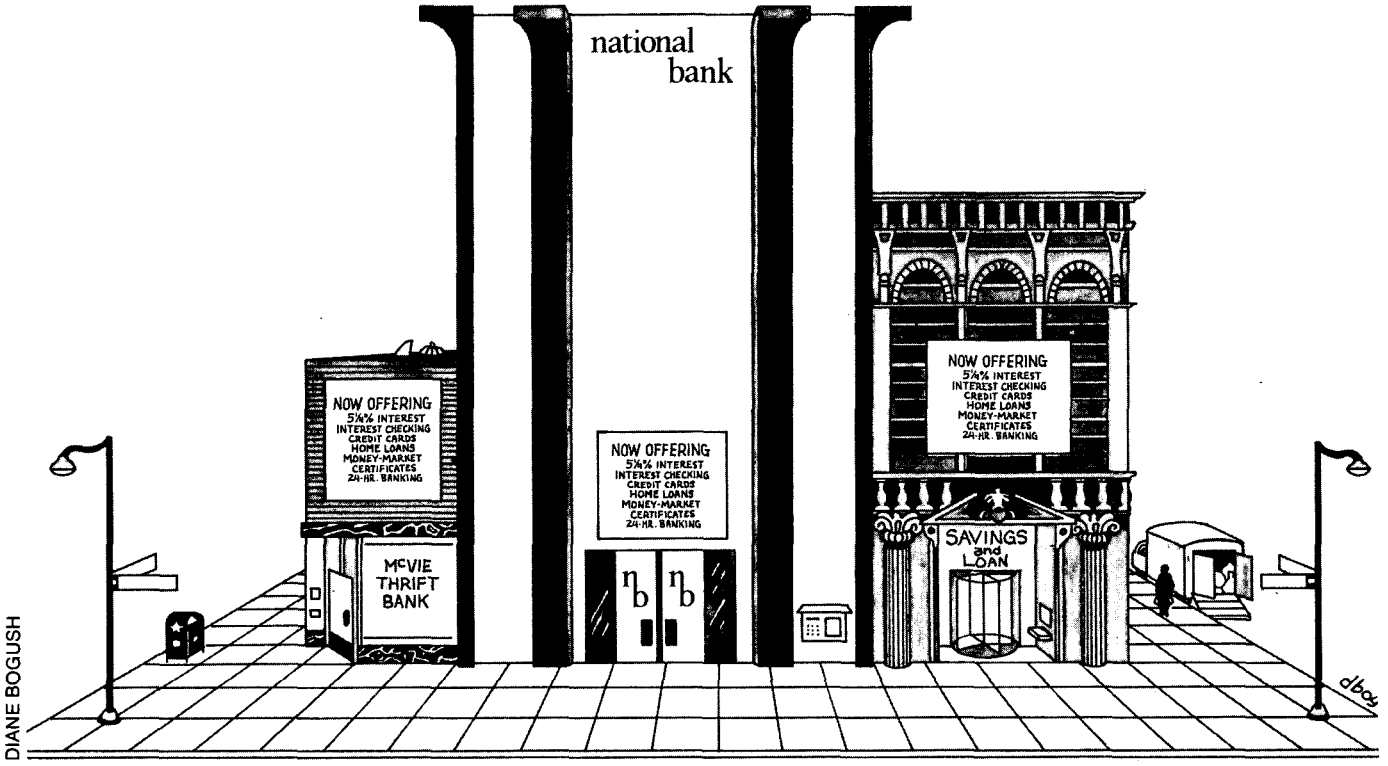
Why savings and loans are starting to act like banks



DIANE BOGUSH

By KERRY DRAGER

When President Carter signed into law the Depository Institutions Deregulation and Monetary Control Act of 1980, he said the new legislation would "help control inflation" and "strengthen our financial institutions." Carter praised the bill as a "major victory for savers, particularly small savers . . . and another step in a move toward deregulation by the federal government of the private enterprise in our country." Treasury Secretary G. William Miller went further; he hailed it as the "most important legislation dealing with banking and financing in half a century."

But as the deregulation act begins to take effect, a chorus of concern is growing in California and across the nation. The big question is this: Will federal deregulation actually do what it's supposed to — that is, promote competition, encourage more savings and increase the funds available for home loans so that consumers are better served? Or will it work in the opposite way, killing off small savings and loans, promoting mergers and siphoning off mortgage financing into more profitable areas like consumer loans and international investments?

One effect is already clear: There will be less and less difference between the neighborhood bank and the neighborhood savings and loan. The traditional role of S&Ls — providing loans for homebuyers and developers — will change gradually as they move into banking services like checking accounts, consumer financing and credit card transactions.

The act's provisions are to be phased in over a six-year period in an effort to prevent major disruptions in the banking industry. Among other things, the legislation gradually eliminates ceilings on deposit interest rates and the differential previously permitting S&Ls to pay higher interest than banks. It also increases federal insurance of accounts to $100,000; permits S&Ls, mutual savings banks and commercial banks to offer interest-bearing checking accounts; allows S&Ls to issue credit cards; and permits broad new investment and trust powers for thrift institutions, including increased consumer lending, commercial paper and money-market funds.

The flow of funds

Who will benefit from deregulation? The consumer as well as the industry, say its proponents, "The consumer will get higher rates on his or her savings deposits, and will be able to get checking accounts that pay interest," says Don Alexander, vice president of Federal Home Loan Bank of San Francisco. "If there is a more steady flow of funds into housing and into the savings and loans, mortgage rates should come down and not jump around so much. From the lending institution side, (deregulation) makes them able to earn enough to pay the rates they must pay on their deposits. Many of them haven't been able to do it in the past year

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because of the high interest rates."

Ray Dezember, chairman and president of American National Bank of Bakersfield, adds a word of caution: "It stands to reason that, when all depository institutions begin to pay interest on money that they did not pay interest on previously, certain other services within the institutions will have additional charges which were not there before. Nonetheless, decontrol will give the consumer a greater choice. And it will strengthen the industry in the sense that the professional management of the banks will have to be more competitive and more attentive to the marketplace."

Some analysts see the federal deregulation act as a natural step in the march toward uniform banking and lending services. Says Larry D. Kurmel, senior vice president of the California Savings and Loan League: "The movement toward making all financial institutions the same is about 15 years old. What has happened with the decontrol act was simply a logical consequence of that movement on the federal level. The problem is that we never balance off what we think is most important. What we've done, *de facto*, is sacrifice the priority that housing has always had in our economy. That's the problem with the decontrol act."

In theory, at least, a decontrolled industry should operate with consumer interests guiding policies. Jim Updegraff, deputy superintendent of the state Banking Department, puts it this way. "Allowing the consumer — and not the industry — to make the choices is the way to force benefits to flow to the consumer." But a decontrolled industry does not necessarily work that way. Presumably some of the old restrictions were written for the protection of the consumer. For example, the Airline Deregulation Act of 1978 was intended to encourage competition among airlines and thus, by the action of the free marketplace, to produce a reduction in fares. Nevertheless it backfired in California. Air fares soared with deregulation — more than doubling in the last two years, according to a state Public Utilities Commission study.

In the new world of banking deregulation, here are the biggest consumer questions:

- **Home loans.** Savings and loans provide 70 percent of the mortgage financing in California. According to a recent report of the federal Interagency Task Force on Thrift Institutions, thrifts have been through the worst earning experience in their history during 1980. And decontrol could make matters worse. "Savings and loans are not equipped to effectively compete with giant institutions such as the Bank of America," says Robert Gnaizda of Public Advocates, a San Francisco consumer-advocate law firm. "They'll be adversely affected, particularly in the ability to attract a substantial amount of deposits."

In the past, savings and loans acted as intermediaries — "renting" money through low-interest, controlled-rate passbook accounts and, in turn, "leasing out" those funds to borrowers at a fixed interest rate over 30 years. ("Any fool could run a savings and loan then," remarks the Savings and Loan League's Kurmel.) Today, much of the industry's savings portfolio is in the higher-interest, market rate instruments (six-month and 2½-year money-market certificates). Yet its asset structure remains locked into long-term, fixed-yield loans. And funds for housing have become scarce.

As a result, savings and loans are undergoing major changes and deregulation will enable them to offer a wider variety of services, such as consumer loans and credit cards. But what will happen to their previous commitment to home loans? Says Don Alexander of the Federal Home Loan Bank, "There is a great deal of concern in the industry that the main function of savings and loans will change, and that they will not perhaps look upon mortgage loans as being the most important asset they have on the books."

Patrick Connolly, assistant commissioner of the state Department of Savings and Loan, adds this: "The possibility exists that when you give any financial institution more powers to invest, money tends to go where it will get the better return. You get a better return on consumer loans than you do on a typical home loan. So that takes money out of the mortgage game real quick."

Under Internal Revenue Service law, at least 82 percent of an S&L's total lending must be in mortgage financing. "We're starting out with basically 100 percent of our assets in real estate loans," says Kurmel. "The question is what we do with new money that comes in and how the new money changes the ratio of mortgage loans in our portfolio. An association may be doing 100 percent of their new loans in consumer loans, and it still may take them three years to reach the 82 percent."

The intent of deregulation, though, was not to take away funds from home lending. The theory was that S&Ls would be able to attract more resources and, even though they would be making other types of loans, they still would have more money available for mortgage financing. The deregulation act was designed to help smooth out the cycle that the savings and loan industry goes through during periods of credit tightening.

But Public Advocates' Gnaizda says the act may do just the opposite: "It was a thoughtless act. The Congress got stampeded. We had made an effort to raise the interest rates paid to small savers, but we did not ask Congress to eliminate the interest-rate differential between banks and savings and loans. I'm in favor of a differential. Then the public will always know they can get a better rate at a savings and loan. Therefore, you'll promote savings for home ownership."

When he signed the legislation, President Carter said he hoped that the rate of savings in the nation (then at 3 percent of earnings) would increase. Carter noted that the low savings rate had been a "major factor in increasing inflation." Deregulation, with higher interest rates, would "help small savers," he said.

- **Merger pressure.** One of the biggest fears of deregulation is that the community services traditionally served by S&Ls (making home loans and serving particular localities) could be abandoned as banking services increase. Also, smaller institutions, unable to compete in a decontrolled environment, may be forced to merge with larger ones. Could national banking, with even larger conglomerates, be far behind?

Ray Dezember of American National Bank foresees more mergers, but, he says, "In California we've always had a very active merger and acquisition market for banks. I believe that even the smallest banks can serve a segment of their market effectively and profitably. I don't think the law's change, in and of itself, will cause a rash of mergers and acquisitions."

Some experts disagree. Kurmel points out that the small S&L must offer all the services that the larger one provides. As a result, administrative costs skyrocket. Some small institutions may be unable to handle it, he says. "But I don't think mergers will hurt the consumer as long as there is competition in the marketplace. And there will be competition; there's no question about that."

The recent proposal to merge Great Western Savings and Loan, the second-biggest thrift institution in the United States, and Financial Federation would be the largest consolidation in California's history. Great Western President James F. Montgomery has said the association's merger would create a stronger institution, one better able to help combat California's severe housing shortage. But a statewide coalition of 34 consumer, minority and low-income groups protested the merger. "The $106 billion California savings and loan industry is on the verge of a major revolu-

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tion in terms of its relationship to the public," says the coalition's representative, Public Advocates. By the mid-1980s, the firm notes, S&Ls will compete with banks across state and, perhaps, national lines for depositor funds and services. The result, without community-oriented guidelines, could be a flight of billions of dollars from California homeowners to international markets and from inner cities to multinational corporate developments.

Gnaizda emphasizes that the coalition does not disapprove of the merger, *per se*. Rather, he says, "We're opposed to a merger without conditions attached to it that guarantee continued presence in the California home-buyers' market."

William J. Marschalk, Great Western executive vice president, wrote recently in defense of the merger plan, "The suggestion that the new rules will cause savings and loans to want to become more like banks is absolutely inaccurate. We must be able to compete with banks for savings deposits so we can continue to perform our primary purpose — that is, making home mortgage loans to Californians . . . If we are not given the tools to compete with the banks for deposits, mortgage funds will become even more scarce and expensive than they are now."

Dezember believes deregulation is the way to go. Yet, he adds, there are still refinements to be made. "There are a number of things that banks have lived with for many years that hopefully will be changed to meet the modern needs of the consumer," he says. "But, by and large, we feel that the philosophy of allowing greater competition for funds and greater ability for services to be offered to the public will be a plus. I think it will be an exciting time."

• **Investments abroad.** Others, however, do not share Dezember's optimism. While the deregulation act loosens the regulations that govern thrifts and banks, many analysts dispute the "natural" order of things — that decontrol of an industry leads to competition which means benefits for consumers.

"The question is," says Kurmel, "where is the housing money going to come from? And how are we going to do financing?" Adds Gnaizda of Public Advocates: "I am very frightened by the prospects that savings and loans will become more like banks and invest their money in foreign countries, assisting the commercial development of Brazil rather than Watts or east LA."

• **Fixed-rate, farewell.** In December, Wells Fargo Bank announced that it would no longer offer the traditional 30-year, fixed-rate mortgage for loans of more than $93,750. Wells Fargo was the first major California financial institution to take that step. But some savings and loan officials predict that the fixed-rate mortgage is a thing of the past and it may be replaced entirely by some kind of flexible instrument. Such a trend is more likely to occur with the Reagan Administration in Washington, the officials agree.

Such an instrument has already been suggested in Sacramento. SB 1937, authored by Senator John Foran of San Francisco, proposed a fixed-payment, adjustable-rate, 30-year mortgage in the last session. Monthly payments would be set for five years, with changes in interest rates controlled by a cost-of-funds index. Interest rate changes could not exceed 5 percent over the entire life of the loan. The bill also required lenders to offer the borrower a conventional, fixed-rate loan at the same time.

Governor Brown vetoed the Foran bill. "Adopting the proposals contained in SB 1937," Brown said last July, "goes way beyond the present federal regulations and would expose the unwary borrower to too great a risk." He cited this example: An $80,000 loan bearing interest at 12 percent would change dramatically over a five-year period, assuming interest rates rose one-half point every six months. Payments would rise more than 50 percent — from a $822.89 initial monthly payment to a monthly payment of $1,287.63 after five years. The loan balance, instead of decreasing, would actually increase to $89,559.79.

Foran responded by saying the veto was based on a worst-case, hypothetical example that "bears no relationship to historical cost figures or likely economic projections . . . SB 1937 is an alternative mortgage instrument that would allow Californians a chance to enter the housing market when they would not otherise be able to. The bill ensures that California borrowers will always have the opportunity to purchase a house and guarantees a choice among the various mortgage instruments." Foran will probably reintroduce the bill this session.

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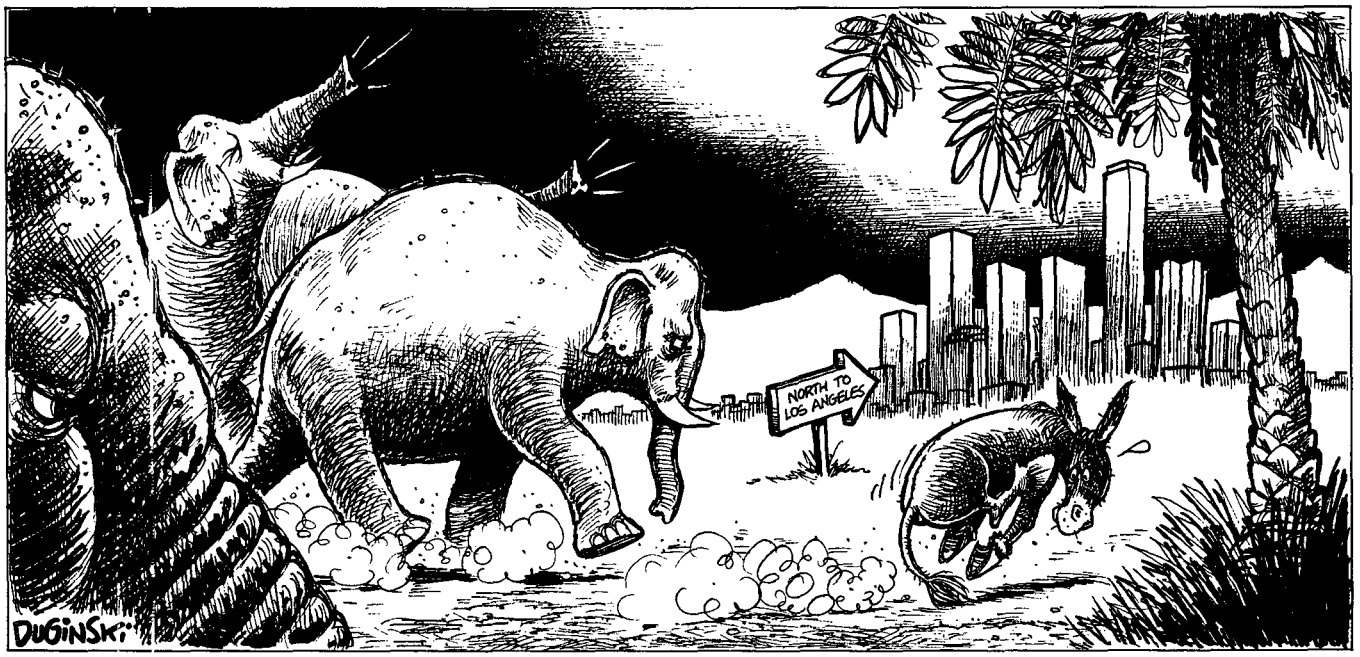
Color Orange County Republican once again



By LARRY PETERSON

The more things change in Orange County politics, the more they seem to stay the same. Two years ago, there was a spate of stories in the regional media about the emergence of the Democratic Party as a major factor in Orange County politics. That, in fact, was news. For decades Orange County politics had been so dominated by Republicanism that many newcomers to the fast-growing area felt nudged toward the GOP for social reasons. Registering Republican was virtually on the checklist of things to do when a family moved to the affluent, mostly suburban county — right behind buying a four-bedroom ranch-style home and a station wagon, but before joining a country club or buying stocks.

But by 1978 all that was changing. For the first time in 18 years and for only the second time since the New Deal, the Democrats surged ahead in voter registration. A Democratic gubernatorial candidate, Jerry Brown, carried Orange County for the first time in its 89-year history. Also unprecedented was the fact that three other members of the Democratic statewide slate carried the county. Democrats retained three of the county's six Assembly seats and three of five seats on the county board of supervisors.

Only the naive suggested that the Democrats were taking over, but the widespread conclusion was that the party had achieved something resembling parity. Its emergence as a credible force, the analysts said, sounded the death knell for the county's election predictability and ushered in genuinely competitive two-party politics.

But no sooner than it appeared, the new trend started to come unglued. In 1979, the GOP regained its voter sign-up lead and began to expand it. By election time, the Republican margin passed the 43,000 mark. The results of last year's elections suggest a resurgence of the conservatism that has dominated the area's nine-decade history as a separate political entity. The swing of the electoral pendulum was apparent in the June primary and by November it was even more pronounced. For example:

- **In the primary,** Orange County turned out to be Reagan Country by an even more lopsided margain than the rest of the state.
- **In two contested** Assembly primaries, local Republicans sided with the candidates who most conspicuously displayed their conservative credentials.
- **Although Howard Jarvis'** Proposition 9, the state income-tax-cut measure, was rejected by voters in every county, the margin of defeat was smaller in Orange County than elsewhere.
- **Orange County** voters rejected the June state parks bond issue by a larger margin than the rest of the state and also opposed Proposition 8, an alternative energy sources funding measure, which barely passed statewide.
- **The Proposition 10** initiative limiting rent control was rejected in Orange County, but by a smaller margin than in other California counties. The Proposition 11 "tax big oil" measure took a bigger pasting in the county than throughout the rest of the state.
- **In November,** Reagan carried Orange County by

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more than 350,000 votes, drawing more than 66 percent of those cast. That doubled Gerald Ford's 1976 margin in the county and easily outpaced the 53 percent showing posted by Reagan statewide.

- **And in an election** in which GOP registration gains weighed heavily, Republican nominee Nolan Frizzelle wrested away the 73rd Assembly District seat which Democrat Dennis Mangers had held for two terms.
- **Meanwhile, what was billed** as a tough challenge by Louis Velasquez in the 35th state Senate District was brushed aside easily by incumbent John Briggs. And Chet Wray, Democratic incumbent in the 71st Assembly District, was re-elected by only 500 votes.
- **As was the case** in the primary, November ballot propositions that involved spending tax money generally fared more poorly in Orange County than statewide.

The evaporating trend

Why did the trend that seemed so unmistakable in 1978 suddenly go poof? The answer probably is rooted in long-range demographic, cultural and economic trends. From 1889, when Orange was carved out of Los Angeles County, until 1956, local voters sent only two Democrats to the state Assembly, one to the state Senate, and one to Congress. (One of the Democratic assemblymen switched to the GOP soon after being elected.) In 1972, the Democrats won a majority on the nominally non-partisan county board of supervisors. In 1974, March Fong Eu and Alan Cranston, candidates for secretary of state and U.S. Senate, respectively, became the first Democratic nominees for statewide office to carry the county.

During this period, Orange County was growing rapidly. People were pouring into the county faster than they could be subjected to the traditional socio-economic reorientation that previously had nudged newcomers toward conservative Republicanism. As the population mix of the county became more like those of the state and the nation, its political profile was bound to become more Democratic. That trend was reinforced by the metamorphosis of the county from an agriculture-oriented area to a fledgling metropolis.

But what rapid population growth creates, slower growth can diminish. The rate of population growth averaged more than 20 percent a year in the county during the 1950s and more than 10 percent a year in the '60s, but it leveled off to less than 3 percent in the '70s. This reduced influx of new residents probably gave the county's traditional political culture a chance to reassert itself.

An irony of countervailing forces has resulted: The Republicans have generally favored unrestricted growth, but it is the influx of new residents that could prove to be the undoing of the GOP. The Democrats have been more favorable than Republicans to limits on growth — limits that slow the immigration which has increased Democratic registration. There is an additional irony: The type of land-use controls favored mostly by Democrats tend to make homes in Orange County so expensive that they usually can be bought only by persons who are more likely to be Republicans.

The Democrats' problems in Orange County are compounded by the necessity for them to sound like Republicans. For example, Assemblyman Mangers claimed during his 1978 campaign that he and former Assembly Speaker Leo McCarthy "are at odds from a state political point of view most of the time." That, he insisted, is because McCarthy "represents the inner city and feels compelled to respond more to the needs of welfare recipients than to middle-class taxpayers who work hard and resent seeing their tax money going for programs that produce little results." That, of course, was campaign rhetoric, but the fact is that Mangers felt it was important to put distance between himself and McCarthy. Thus, there is always the possibility — as Mangers found out — that voters will reject a candidate who merely sounds Republican in favor of the real thing. Also, newcomers tend to come from areas where the Democratic Party is more conservative than the leadership of the state and national Democratic parties. They often find a Republican candidate's personal or ideological appeal greater than the opposing Democrat's. That is one reason why Ronald Reagan and Barry Goldwater did so well in the county, even among Democrats.

To the rescue

With the reemergence of the county's Republican majority, local GOP stalwarts are hoping for a return to their "good old days." That was when their party not only dominated the Orange County scene but used the county's traditionally late-arriving election results as a sort of cavalry with which to rescue beleaguered Republican statewide candidates. Time after time, Democratic candidates have carried all or most of California, only to have their victory hopes buried under an avalanche of GOP votes in Orange County. As recently as 1976, county voters provided the margin of victory for U.S. Senator S. I. Hayakawa.

But the county's future political profile really depends on reapportionment. The last redistricting carved out for the Democrats two safe Assembly seats and one safe seat each in the House of Representatives and in the state Senate. Even though the county stands to pick up a new Assembly seat and gain marginally in the other two categories, the prospects are slim that the Democrats will gain more seats unless they wish to undermine Assemblyman Wray's already precarious position.

The real risk is that reapportionment problems in Los Angeles County — which stands to lose three Assembly seats, one Senate seat and one House seat — will be solved by creating several districts that lump large portions of Orange County into Los Angeles County districts represented by Democrats. That prospect is made less likely because of Proposition 6 on last June's primary ballot, which discourages the drawing of district boundaries that cross county lines.

So south and east of the San Gabriel River, politics will remain unpredictable enough to keep the pundits busy.

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California's love affair with small hydropower plants

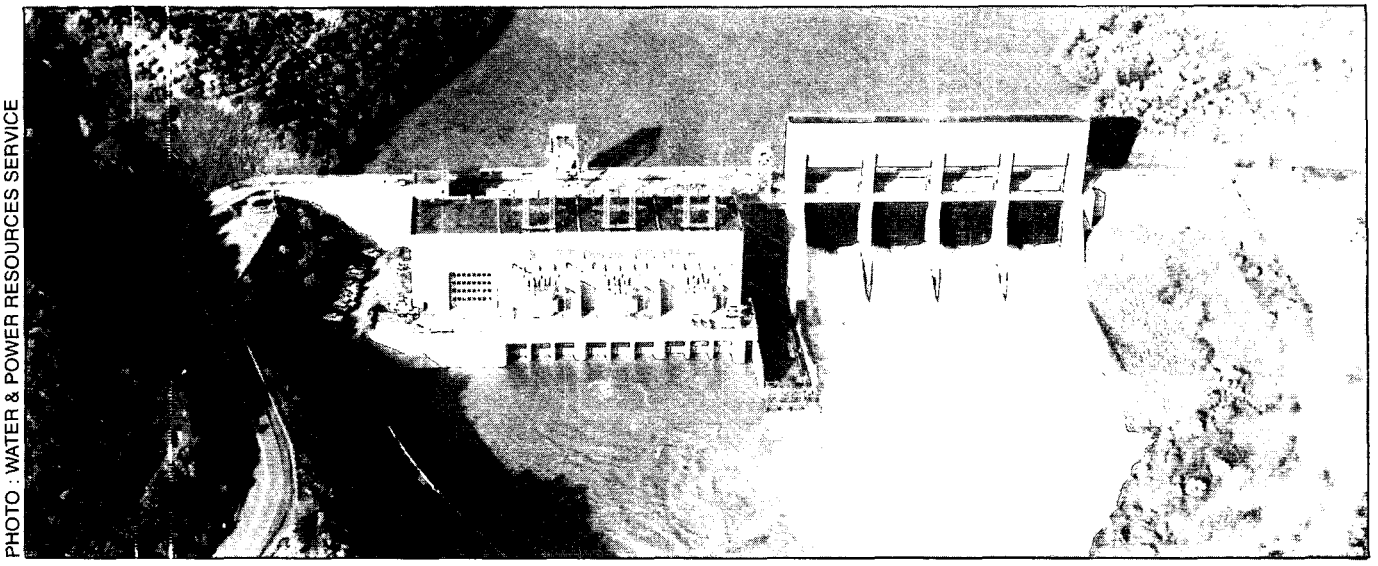

PHOTO : WATER & POWER RESOURCES SERVICE

By DELIA M. RIOS

Hydroelectric power is an energy source whose time has come — again. Its roots in California date back to 1893, when two small hydroplants produced the state's first generated electricity. And hydropower continued to supply most of California's electricity for half a century, well into the 1950s. But increasing electrical demand required large, centralized plants capable of transmitting power for long distances, so hydroelectric plants — especially at smaller sites — became obsolete with the availability of low-cost fossil fuels.

In the 1980s, dependence on ever more expensive fossil fuels will become an increasing economic and political burden. As the fourth largest oil and gas producing state in the nation, California still must import two-thirds of its energy supplies. That is the main reason that alternative energy sources, and small hydroelectric power in particular, now look increasingly attractive.

There are other reasons for hydro's growing appeal:

- **Environmental.** The greatest opportunities for harnessing the power of falling water are at existing sites like dams, canals and ditches. Any adverse environmental impact, such as the displacement of people and wildlife, is avoided by developing existing sites.
- **Versatility.** Such plants can serve a variety of purposes — water storage for irrigation, recreational, municipal, and industrial uses and flood control — while supplying local energy needs. Dams built to store irrigation water can easily be used to generate electricity by adding turbines and generators. For example, Monticello Dam in Napa County could generate 43 million kilowatts annually if the necessary equipment were added.
- **Economic.** Installation costs for a hydroelectric generating facility are less than for an equivalent coal or nuclear installation. Installation time is also significantly less: According to the Energy Resources Commission, it takes from one and a half to five years from the initial feasibility study to "turning on the switch" at a small hydro plant. Hydro plants do not require fuel to operate, so operating costs are kept at a minimum once installation is complete. Variations in costs depend on how many hours a facility operates and how much "head" is available. (The head is the difference in elevation between the height of the water stored behind the dam and the height of the water released below the dam. A plant's energy potential always depends on the head.)

Delia M. Rios wrote "Jobs behind bars?" in last month's Journal. *Research for this article was contributed by Julie Anderson.*

Keys to success

The two keys to small hydro's success are its cost-effectiveness and its marketability. Pursuing those twin goals is the mandate of Governor Jerry Brown's new Task Force on Small Hydroelectric Development. Established one year ago, the task force includes representatives from nine state agencies involved in the permit or construction process of small hydro development: Department of Water Resources, Department of Fish and Game, Department of Parks and Recreation, Office of Planning and Research, State Water Resources Control Board, California Energy Commission, California Public Utilities Commission, Department of General Services and the State Lands Commission.

Before the task force was formed, the state and federal government permit process for hydro plants was even more cumbersome and lengthy than it is now. Water rights applications and petitions for power development are now handled as top-priority items, and a private party has the same priority as a municipality in the permit process. This has eased but not solved the time problem: Permits that

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used to be acquired in two to three years now may come through in a year.

Hydro's potential has also been enhanced by several laws passed recently in the state Legislature. In 1977, municipal water districts and county water agencies were granted authority to construct and operate power plants. The following years, the Santa Clara Valley Water District was authorized to construct power facilities and sell power. Also that year, the Department of Water Resources was ordered to study the feasibility and cost effectiveness of developing small hydro plants at existing sites.

Then, in the 1980 legislative session, a big gain for small hydro came through Senator Al Alquist's SB 1305. It requires utility companies to transmit or "wheel" power produced at hydro facilities under 30 megawatts. Before SB 1305, the wheeling law applied to other alternate-energy resources but not to small hydro. The decision to wheel hydroelectric power had been left completely to the utilities' discretion, according to Jerry Garrett of Santa Clara County's Water District. "Before the Public Utilities Commission was required to buy hydroelectric output, small hydro plants were discriminated against," Garrett says. "The problem with smaller hydro projects is that it is not economical to go through normal negotiations to get a wheeling agreement. The new legislation is a real shortcut."

Hydroelectricity currently meets 18 percent of California's electricity demand, with small hydroplants providing about 700 megawatts of the total hydroelectricity now generated. Experts predict that by 1991, small hydroplants will have a potential capacity of 1,450 megawatts. The Department of Water Resources plans to build 15 small hydro plants along the State Water Project within the next 10 years, all on existing sites. The combined output — equivalent to burning more than 600,000 barrels of oil in a conventional power plant — will be used to operate the State Water Project.

Recently, the Governor's Task Force identified 285 existing sites throughout the state at which small hydro plants could be developed. To encourage owners to develop these sites, the Department of Water Resources is working with the federal Department of Energy on a "Small Hydro Outreach Program." Its purpose: to educate potential hydro plant operators — the general public, site owners and operators, water utilities, irrigation districts, local governments — about hydro's possibilities. If all 285 sites were developed, they would have a total capacity of 500 megawatts — enough to supply 1 million persons with electricity for one year. It would take 4 million barrels of oil to generate the same amount of electricity.

The established technology for developing hydro makes small projects one of the more conventional of alternative energy sources: A standard turbine-generator unit has simply replaced the ancient water wheel. Besides being feasible, small hydro can be profitable. According to Frank Hahn, chief of the energy division at the Department of Water Resources, a lot of private money is being invested in small hydro. "It's an attractive investment for third-party developers," Hahn says. "There is a two-to three-year period before an investor can break even on a small hydro plant. Once past that point, there's a lot of good money to be made. Small hydro is better than an oil well."

Small-scale hydropower producers make their money by selling their energy output to the utilities at "avoided cost," so that prices reflect the cost utilities avoid by not having to produce their own electricity. Not all of the hydropower sites are now cost-effective, but Hahn predicts that most will be between now and the year 2000. In anticipation of this payoff, hundreds of applications to operate small hydroplants are flooding the federal Department of Energy.

Plenty of problems

But the promise of hydro's future is clouded by several problems:

- **Federal regulation.** The larger a hydro project is, the more cost-effective it is; that leaves the projects at the other end of the scale at an initial disadvantage. Santa Clara's Jerry Garrett, who worked with the Senate Energy Committee on the Alquist legislation, sees nothing but obstacles for the smaller projects. "In a nutshell, it's almost impossible to develop the smaller hydro projects because of federal regulations and the permit process," he says. "The federal Energy Regulatory Commission has imposed licensing requirements on hydro despite the fact that Congress had passed a law to exempt small energy sources from such procedures. It costs $30,000 just to submit a permit application. It may be cost effective for the projects in the 20 to 30-megawatt range, but the smaller projects can't afford it." Garrett believes that predictions of quick payoffs are based on faulty assumptions and are too optimistic because of the many stringent regulations.
- **High initial costs.** An investment of $1 to $5 million is required by most small hydro projects. Even if the plants can be expected to pay themselves off after a five-year period, the initial costs could discourage many potential investors. To make small hydro a more attractive economic package, state and federal governments have eased financing requirements. The California Legislature also has established several loan programs: $120 million allocated to the Energy and Resources Fund from the Tideland Oil Revenues; $200 million in revenue and bond anticipation notes (through a new financing authority for alternative-energy projects); and $750,000 from the Energy Resource Conservation and Development Reserve Account to provide financing assistance to developers. The Legislature also voted last session to allow state and local agencies to issue industrial development bonds for small hydro developers.

At the federal level, $10 million a year is allocated for small hydro loans through the Department of Energy. So far these have helped mainly to finance costly feasibility studies and license applications. The Crude Oil Windfall Profits Tax Act of 1979 also provides some financing for plants with a 25-megawatt capacity or less; in some cases the money can be used for plants of up to 125 megawatts.

Despite financing and regulatory headaches, small hydro projects will inevitably attract more interest as oil prices rise. Based on 1978 dollars, hydroelectricity costs about 3.2 cents per kilowatt hour, compared to about 5.1 cent per kilowatt hour for oil. In 1980 the cost of oil burned to produce electricity cost $26 a barrel, compared to the $2 it cost in the 1960s. Given those realities, it is not surprising that California is pushing its small hydro program with such vigor.

A small hydro plant's potential:

1 kilowatt = 1,000 watts
1 megawatt = 1 million watts
1 kilowatt hour = 1,000 watt hours

Assuming that a small hydro plant is operating 24 hours a day, 24,000 kilowatt hours could be generated daily. Operating 365 days a year, it could produce 8,760,000 kilowatt hours annually. The average household's electricity consumption is 6,000 kilowatt hours a year, so almost 1,500 homes could be supplied by a one-megawatt hydro plant.

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By Leo Rennert

The new gold rush

If you contributed $1,000 to Democratic Senator Alan Cranston, the odds are 10 to 1 that the money was not used to help pay for his successful re-election campaign last year. After raising $3 million, Cranston coasted home with a tidy surplus of more than $300,000. At current interest rates, he practically can double this money over the next several years by squirreling it away in high-yield certificates or treasury notes. Thus, a dollar given by Cranston supporters in hopes of sending him back to the Senate this year may pop up as $2 to fuel a fourth-term bid in 1986. Refunds for contributors who only had 1980 in mind are not in the offing.

TAKE ANOTHER EXAMPLE. If you gave $1,000 to help re-elect freshman Congressman Vic Fazio of Sacramento, there's a similar probability that your money wasn't used for that purpose. Instead it may have ended up next door to help pay for the losing campaign of veteran Democrat Harold Johnson of Roseville. Or it may have traveled hundreds — perhaps thousands — of miles from Sacramento to find its way into the campaign coffers of Mo Udall in Arizona, Richardson Preyer in North Carolina or Robert Edgar in Pennsylvania. With only nominal GOP opposition in his own district, Fazio raised more than $210,000 — far more than he needed. Just before the November elections, he pumped $25,000 into 17 other Democratic congressional campaigns and into half a dozen races for the California Legislature, his previous political base. Even after this display of generosity, he still had a comfortable surplus of nearly $40,000 for future contingencies, including his own 1982 campaign.

The Cranston and Fazio examples point up some dramatic changes in campaign-finance patterns — particularly among well-entrenched and well-connected incumbents. Money now is raised at much earlier stages — almost as soon as the last election is over. The first objective is to accumulate as big a pile as possible — as quickly as possible. The size of the kitty bears absolutely no relationship to the likely potency of a prospective opponent. In fact, the purpose of the money is not so much to fight the next campaign but to scare off would-be adversaries from running in the first place. By flaunting a big campaign treasury months and sometimes years before Election Day, an incumbent can knock off opponents before they've even had a chance to declare their candidacy. Like nuclear weapons, money in politics has become the ultimate deterrent. Its purpose is not to facilitate combat — but to avoid it. Once having succeeded in this task by choking off any effective opposition, officeholders find themselves with an abundance of unused cash which can be rolled over for the next campaign and the next one — ad infinitum. Or, like Fazio, they can switch roles and become political contributors in their own right.

Cranston played the new money game with consummate skill in his 1980 campaign. Starting two years before the election, he not only built up a sizeable campaign chest in quick order but also monopolized significant sources of support that otherwise might have been tapped by Republican challengers — particularly among agribusiness and financial institutions. When Congressman John Rousselot became a candidate for the GOP nomination, many banks and savings-and-loan associations were already lined up behind Cranston. And when Republican kingmakers Justin Dart and Holmes Tuttle signaled that big money from conservatives would go to Paul Gann, Rousselot withdrew. As it turned out, Gann also couldn't overcome his handicap on the money circuit. Financially, the Gann-Cranston contest was a David-and-Goliath affair in which Gann didn't even have a slingshot. The big story about the Senate race from June to November was not about the clashing philosophies of the two contenders. It was about money. Cranston had it; Gann didn't. In the end, it was almost immaterial what use Cranston made of his money; just having it had the desired effect. As one of his top-level advisers remarked shortly before the election: "It's really strange. Nobody's paying attention to what we're doing with the money, what media we're buying or what the message is. The money itself has become the story."

Election battles increasingly are decided not so much by issues, personalities or even hot-shot media consultants — but by balance sheets. The medium is not the message; money is. This phenomenon is bound to intensify in the 1980s for two important reasons — more and more press emphasis on the financial wherewithal of candidates at the start of a campaign as a clue to the ultimate outcome, and the feverish scramble for money by Democratic incumbents who survived the Reagan sweep and who now are looking for an extra margin of financial safety.

AGAIN, CRANSTON TYPIFIES the new trend. Although safely locked into a six-year term, he plans to start right away on a $5 million fund-raising drive for his 1986 re-election campaign — even at the risk of competing for money with other California Democrats who will be running in 1982. Cranston hopes to have $4 million by 1984 — two years before he again has to face an opponent at the polls. In Pentagon parlance, that's what's meant by massive deterrence — or a bigger bang for the buck.

But Cranston isn't stopping there. He's also heading up a separate drive to recruit 200 "fat cats" across the country who are willing to pump $30,000 each into a $6 million campaign chest for Senate Democratic candidates in 1982. As assistant Democratic leader, Cranston still may be fumbling for new ideas to revitalize his party; but in the meantime he already has found a quick-fix elixir — money. He's not alone in that. Jerry Brown has passed the word that he's also prepared to raise money for Democrats across the country. Californians are taking the lead because of their state's reputation as a place where well-heeled political contributors abound. The "Golden Gate" image was a prime factor in Charles Manatt's bid for the chairmanship of the Democratic National Committee and in Merced Congressman Tony Coelho's successful push for the chairmanship of the House Democratic Congressional Campaign Committee. The "greening" of American politics continues at an unrelenting pace and California is leading the big-bucks parade.

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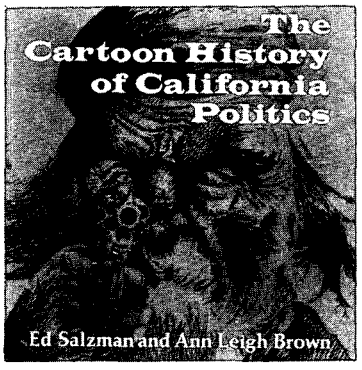

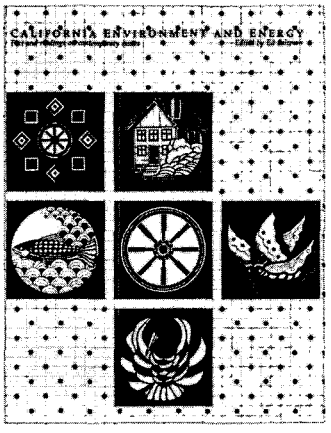

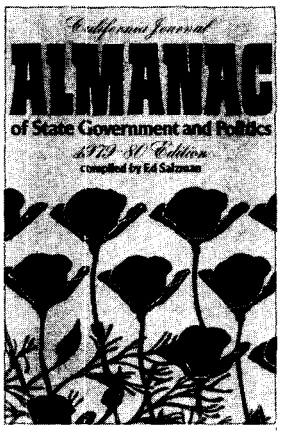

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